Australe ... Sch. 27 Indonesia . Ro 2501 Philippines . Per. 20 Bertale ... Do . 0.855 Israel ... NS 3.50 Portugal . Ear 91 Belgum ... BF. 45 Israel ... NS 3.50 Portugal ... Ear 93 Belgum ... BF. 45 Israel ... L 1500 S. Arobica . Ro 6.00 Cavada ... CS1 .00 Japan ... Y550 Superpore . SS 4 10 Cavada ... CS1 .00 Japan ... File 500 Spare ... Per 25 December ... Date ... Ber 301 Lebosen ... El 25.00 Sweptore ... Ser 7.00 Freede ... File 50 Israel ... Roy ... Ser .

# FINANCIALTIMES

Business as usual for many in South Africa, Page 12

No. 30,012

Thursday August 21 1986

**EUROPE'S BUSINESS NEWSPAPER** 

D 8523 B

World news

# S African curbs on press 'invalid'

Lawyers acting for the South Afri- BPCC, fast-expanding UK-based inday that two provisions in the country's emergency regulations which curb press reporting were invalid. But the concession is unlikely to have any immediate impact on reporting restrictions.

The restrictions are being challenged by four English-language newspapers in the Natal Supreme Court and the concession was made during yesterday's hearing. The court has reserved judgment on the validity of the emergency press re-

Meanwhile, two US television networks and a British company complained that news film had been tampered with or had disappeared on its way out of South Africa by air. One missing tape was said to have contained interviews filmed in Zambia with members of the banned African National Congress (ANC). Disinvestment, Page 12; Counting the cost, Page 3

### Polish initiative

Poland said it would propose new steps at the European disarmament talks in Stockholm in the hope of bringing East and West together before the conference's September 19

### Soviets for Gatt

The Soviet Union asked to join world trade talks due to be launched by the 92-nation General Agreement on Tariffs and Trade group later this year, Gett officials

### Tanker attacked

### iran bomb claim

Iran said an explosion in a London shop that killed a man and injured five people on Tuesday was a failed attempt to bomb its nearby consu- 33.2 per cent against the dollar.

### Fatah ends pact

Fatah, the mainstream Palestinian for a 25 per cent increase in eq guerrilla faction, is to renounce its capital to DM 1.5bn (\$728m). Lex, 1985 pact with Jordan to pave the Page 12; Details, Page 15 way for Palestinian unity talks, according to Nayef Hawatmeh, a radi-

Shcharansky visas Former Soviet dissident Anatoly Shcharansky, now in Jerusalen

# said be expected his family, granted exit visas by the Soviet Union, to reach Israel in the next few days.

Rebuff for Hanol

China rejected a Vietnamese offer of talks on normalising relations, but gave fresh signs of growing warnith between Peking and the Soviet Union.

### N-plant petition

Chinese officials in Peking accepted a petition signed by more than a million Hong Kong residents urging a halt to construction of a nuclear power plant at Daya Bay, near the British colony. Page 2

Gunman kills 14 A partitine postal worker, threat-ened with diamissal, shot dead 14 colleagues in an Oklahoma post of-tice before committing suicide.

Farmers protest Breton dairy farmers blocked railway lines and attacked local govenument buildings - dumping liquid manure outside tax offices - to pro-test against fines for producing too

Divorce approved The Argentine House of Deputies approved a divorce bill despite op-position from the Roman Catholic Church,

# · Hop crop setback

Hall storms have inflicted beavy damage on hop fields in Bohemia, western Czechoslovakia, home of some of the world's finest beers.

# **BPCC** bids for Webb Co of US

Business summary

formation company headed by Robert Maxwell, said it would offer \$111m for Webb Company, Minnesota-based magazine publisher. BPCC also unveiled terms of agreed £355m (\$533m) bid for Britain's Philip Hill Investment Trust. Page 12; Men and Matters, Page 19

WALL STREET: The Dow Jones industrial average closed up 18.42 at formance of the US domestic econo-ny.

LONDON equities picked up after some early selling and prices ended little changed. The FT Ordinary index was 0.6 ahead at 1,268.4.

TOKYO stocks posted their 10th daily advance and fifth successive record high. The Nikkei market av erage rose 143.63 to 18,936.24.

DOLLAR closed in New York at DM 2.0470; SFr 1.6475; FFr 6.6925; and Y153.30. It fell in London to DM 2.0485 (DM 2.0580); SFr 1.6465 (SFr 1.6580); FFr 6.6825 (FFr 6.7100), and Y153.35 (Y153.40). On Bank of Eng-land figures the dollar's index was unchanged at 110.4. Page 23

STERLING closed in New York at \$1.5030. It rose in London to \$1.5045 (S1.5020) and Y230.75 (Y230.50). It fell to DM 3.0825 (DM 3.0925); FFr 10.0525 (FFr 10.0775), and to SFr 2.4775 (SFr 2.4900). The pound's exchange rate index fell 0.1 to 71.9.

GOLD rose \$2.75 to \$378.00 on the London bullion market. It also rose in Zurich to \$379.75 from \$374.125. In New York the Comex December settlement was \$385.10.Page 22

Iraqi aircraft struck a disabled Liberian-registered tanker in the northern Gulf, 13 days after it was hit in another Iraqi raid.

FRENCH unemployment rose to a post-war record of 2.47m people in July. Edmond Maire, leader of the pro-Socialist CFDT trade union group, said administrative rules should be simplified to provide at ast part-time work for the jobless.

ECUADOR devalued the sucre by

VOLKSWAGEN, West German motor vehicles group, approved plans

WERELDHAVE, Dutch property investment fund, raised its profits by 12 per cent to Fl 29.8m (\$12.9m) in the first half of 1986 mainly through the takeover of BBVG, a small Dutch investment company.

CANON, Japan's leading camera and office automation equipment manufacturer, incurred a 39 per

cent drop in pre-tax profits in the first half of this year to Y13.95bn (\$91m). Page 13 RANKAMERICA, troubled US west

coast banking conglomerate hit by heavy losses and a rapid manage ment turnover, has dropped plans to establish a retail banking network in Australia. Page 13

ZAPATA, leading US offshore drilling company, has won another breathing space from its bankers who have agreed to defer principal and interest payments on the group's \$600m of debt until November 15, 1986. Page 13

**GUARDIAN** National Insurance, 51 per cent-owned South African sub-sidiary of Guardian Royal Exchange of the UK, experienced a pre-tax profits decline in the first half due to an increase in its underwriting loss and lower investment

INTERNATIONAL Thomson Organisation's first-half earnings have been hit by lower oil prices and the strength of the pound against the dollar. Net income for the first six months of 1986 slipped to £35m (\$23.5m) from £41m. Page 13

TURKEY: Four of Turkey's most important state banks, Etibank, Denizcilik Bankasi, Sumerbank, and the alling Anadolu Bankasi may be merged to form a new banking and industrial conglomerate which would then be privatised, a Turkish

# **US** discount rate cut half point to 9-year low

BY PAUL TAYLOR IN NEW YORK

THE US FEDERAL Reserve Board month after the Fed last reduced ast night cut the discount rate by half a percentage point to 5.5 per cent - the lowest level for the key US rate in nine years. The move ap-pears to underline the Fed's concern about the recent sluggish per-

In a brief statement the US central bank said it had taken the action in the light of prevailing economic and financial circumstances. "adding that," the action appears consistent with the objectives of sustaining orderly growth within the framework of greater price sta-

bility. Significantly, the Fed appeared to have acted without the much anticipated co-ordinated action by other leading Western nations.

The move came in the immediate wake of a sharp downward revision of US real gross national product (GNP) economic growth rate in the second quarter to a paltry 0.6 per cent annual growth rate and a key meeting of the Federal Reserve Board's policy making federal open market committee meeting.

BY OUR FOREIGN STAFF

and violations of safety codes is de-

have been a fairly routine experi-

No 4 nuclear reactor in April.

the rate by half a percentage point to 6.5 per cent, again in the immediate wake of an FOMC meeting.

The reduction is likely to lead to an early cut in US banks' prime lending rates, which currently stand at 8 per cent, since the reduc-tion will lower bank funding costs.

While most senior Wall Street economists had expected the Fed to ease in the light of continuing sluggish US economic data the timing of the move took many by surprise and was seen as underlining the Fed's sensitivity to domestic economic and political pressures.

Most private sector economists had expected the fed to wait for the fect stock market prices. August employment data, due out on September 5, and perhaps even a co-ordinated interest rate cut timed to coincide with the upcom-

The urgency of the Fed's action, which comes in the face of growing speculation that the US economy

Moscow admits 6 safety

violations at Chernobyl

scribed in the official Soviet report the reactor's safety systems or safety measures included in it was on the explosion at the Chernobyl curred in the small hours of the composed purely as a matter of

morning after an experiment sched-

mitted in Russian to all the member running late. This happened, the rethat the programme essentially in-

The report says that the experi-

This account is in direct contrad-

Allowing cooling pumps to work iction of some earlier Western spec-at a rate beyond their safety mar-ulation that the experiment was re-reactor operating in its proper state

lated to the production of nuclear

were "not prohibited" if properly conducted, and had been carried

ion, says that the tests

• Operating the reactor with less mance of the turbine generator af- ered significantly."

AN EXTRAORDINARY sequence Disengaging the emergency cool-

The report, which has been sub- uled for the previous afternoon was

than the acceptable safety margin ter steam from the reactor was shut

allowed for normal shutdown proce-off. Electricity produced in the

dures; short period winte the turome con
Allowing power output to fall betinues to spin is used in some emer-

gin;

• Ignoring a signal from the reaction material for military purposes.

The second by a 23-member s

tor control system calling for a The report, by a 23-member state

low the level specified in the test gency procedures.

shutdown and preventing automat- commiss

ic shutdown from taking place;

Disengaging a protection system designed to prevent overheating;

of carelessness, mismanagement ing system of the reactor.

was underlined by the seven to zero

vote by the Fed governors.

The key long-dated issue was quoted at the close at 1007/m, a net fall of 1/2 and yielding 7.17 per cent. After opening with little change, despite news of a sharper than ex-pected drop in July housing starts, bonds had moved higher, only to shed their gains at mid-se

T-bill rates extended early falls following the discount rate announcement. Three month rates at 5.44 per cent were finally 10 basis points down. Federal funds closed at 6% per cent after touching 6% per cent just ahead of the Fed's an-

In the foreign exchange markets where the dollar has been under re newed pressure in recent days sinking to new lows against the Japaing late September G5 meeting of nese yen and West German D-finance ministers and central bank- Mark, traders also said the early ers from the leading Western indus- Fed discount rate was largely unexpected.

In late New York trading the US currency was quoted at DM 2.0445 and Y153.05 while sterling advanced

However on this occasion, the re

It adds: "In addition to the fac

throughout the period of the tests

It goes on to say that the operat-

The report describes how the op-

reactor operating in its proper state

systems had been switched off. In

their eagerness to get the system

back to correct running conditions

they appear to have created danger ous imbalances in the system.

Details, Page 2

by manual means after automati

ing staff did not appear to know

down for them

ing system of the reactor.

These deliberate efforts to bypass gramme proved low; the section on

ment on the RBMK-1000 reactor (about four-hours) the safety of the was designed to monitor the perfor- reactor appears to have been low-

short period while the turbine con-tinues to spin is used in some emer-deviated from the programme laid

# wants up to 15% of USX MR Robert Holmes à Court, the

**Holmes** 

à Court

By Terry Dodsworth in New York and Gordon Cramb in London

Perth-based entrepreneur, startled Wall Street yesterday by signalling his intention to acquire up to 15 per cent of USX, the Pittsburgh energy and steel group known formerly as US Steel, in a move which could cost him as much as \$700m.

The revelation of Mr Holmes Court's interest in USX, caused a shock wave on Wall Street. In hectic early trading, the USX share price was driven up by \$1% to \$18%. More than 2m shares changed hands within three hours of the

From his Western Australian base, Mr Holmes à Court has in the last five years cast wide in the search for what he sees as undervalued assets. In 1982 he won ACC in the UK, then shedding large parts of Lord Grade's former enter-

tainments empire. He has been battling since 1983 to take control of Broken Hill Proprietary (BHP), Australia's largest company. Other targets have included Asarco, the US mining group, and Morgan Crucible, the British materials technology company.

Mr Holmes a court revealed his intention to USX in a letter from Weeks Petroleum, the Bermuda arm of his investment empire, say-ing that "a person included within". Bell Resources, its Australian par-ent, planned to acquire at least \$15m worth of USX shares and might go as high as 15 per cent. This would cost him more than

The initial response from a USX official was to say that the group had heard of neither of these com-

Mr Holmes à Court's move comes as an abrupt departure from his long-standing prime ambition, to win control of BHP. Like USX, BHP is its country's biggest steelmaker, although each has diversified into oil and gas which for both now provide the bulk of their reven

Bell last week lodged takeover documents with the Melbourne regovernments of the Vienna-based port says, after some of the safety international Atomic Energy Agency, lists six major violations of safety procedures during what should periment. some 29 per cent.

Mr Holmes à Court has had a A\$2bn (US\$1.26bn) credit line in this week invited to join following stake in the bank.

Bell is understood to have the initial \$15m worth of USX already in its hands. It now requires US regulatory approval in order to proceed.

our first office in 1858.

# A\$ slides on doubts over budget figures

BY ROBERT HUBBARD IN CANBERRA AND WILLIAM HALL IN NEW YORK

NITIAL market enthusiasm for Australia's 1986-87 budget turned sour yesterday as scepticism grew over the Government's economic

The Australian dollar, which just before Tuesday's budget had traded at about 63 US cents, and at one stage in overseas markets had passed 64 US cents, finished trading in Australia yesterday at 61 US In Europe, trading was described

as "very nervous," and the currency closed in London at 61.35 US cents, down nearly 2 cents.

The fluctuation on foreign exchange markets quickly spread to other areas. A tentative recovery in defended the growth forecasts yes kets turned around and prices fell across the board.

Dealers attributed the decline to the budget Analysts were particularly criti-

cantiv.

said the budget assumed "fairly tale growth." A more realistic growth assumption, it said, would add A51bn ment would consider a greater cut (US\$610m) to Canberra's projected A\$3.5bn budget deficit.

Mr Paul Keating, the Treasurer.

**ONLY ONE BANK** 

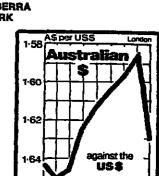
IN CHINA HAS KEPT ITS

**DOORS OPEN FOR** 

Standard Chartered has offered an uninter-

rupted service in China ever since we opened

place through Standard Chartered nies, banks and savings and loan lysts said yesterday that there was associations. The state legislature now at least a 50-50 chance of Texas his acquisition of an 8 per cent four-week session devoted to solv-



the share market and money mar-terday. Although domestic demand would increase by only 1/2 per cent he said, export growth stimulated by the lower Australian dollar combination of factors related to would contribute 1% per cent to GDP.

Attention also focussed on the cal of the forecast that gross domes- outlook for wages. Many analysts tic product would grow by 2% per criticised the smaller-than-expected cent in 1986-87. This appeared too wage cuts proposed by the Governstrong, they said, because domestic ment. The budget forecast a 2 per demand was likely to drop signifi- cent increase in wages, but many observers felt that a complete wage freeze was required.

Continued on Page 12 Share markets, Page 30

# Texas may permit interstate banking

BY WILLIAM HALL IN NEW YORK

TEXAS, which has been hard hit by Until very recently, Texas bankers

sider a sweeping measure that InterFirst group and First City Ban-would allow out-of-state banks to corporation of Houston. acquire Texas bank holding compais in the third week of a special ing the state's serious financial problems caused by the collapse in oil prices.

the slump in oil prices, yesterday have been adamantly opposed to altook the first steps to allow out of lowing out of state banks to move state banks to come to the rescue of in and acquire failing Texas banks. local financial institutions which However, a number of the healthier have been hit by mounting loan banks and local regulators have recently dropped their opposition begulatory authorities in preparation for another possible bid foray into gave approval for the special sesBHP, in which it already owns

Governor Mark White yesterday cause of the mounting financial problems of some of the bigger Texas banks such as the Dallas-based Local bankers and financial ana

> now at least a 50-50 chance of Texas passing an interstate banking law. Mr Frank Anderson, bank analyst with Dallas broker Weber, Hall. Sale and Associates, described yes terday's action as "very significant." Gov White's decision underlines a The main reason for the measure dramatic change in local sentiment. was to gain "an infusion of capital."

# Britain urged to support US call for economic growth

out previously at Chernobyl

terday called on the UK Govern-prices to economic activity in the in-ment to throw its weight behind the dustrialised nations are felt to be al-US in urging West Germany and Ja- ready in the pipeline. Officials fear pan to boost their economies and that any attempt to stimulate the help the world to recover from the economy now would only produce current slowdown in growth. economy now would only produce results next year, when they expect

The institute said that since Ger- these benefits to show up many and Japan already had size- Recent economic indicators from in oil prices, they should now be growth may already have resumed, seeking to expand domestic dewith gross national product in the

"Britain should give energetic ed 1.5 to 2 per cent in the second support to this policy prescription," quarter, compared with a 1 per cent the institute said yesterday in its fall in the first quarter. quarterly economic review.

second quarter rising by an estimat-

In the UK, too, economic activity Treasury officials, however, are may not have been as weak in the reserving judgment on whether ac-tion is needed to bring an end to the Statistics published yesterday by pause in economic growth until the Central Statistical Office next month, shortly before Mr Ni- showed that the whole economy's gel Lawson, the Chancellor of the output rose by about & per cent be-

Strong growth in the service in dustries, which rose by about 1 per cent in the second quarter, compen-sated for a 3 per cent fall in energy

ter, reflecting the strength of retail sales. Financial services and manufacturing also grew, however.

The National Institute expects

# BY GEORGE GRAHAM IN LONDON BRITAIN'S National Institute for national Monetary Fund. Economic and Social Research yes- Many of the benefits of lower oil

able trade surpluses before the fall West Germany have suggested that

Exchequer, leaves for Washington tween the first and second quarters public sector banker said. Page 15 for the annual meeting of the Inter- to a level 1% cent higher than a

output as oil companies brought for-ward their maintenance shutdowns. The output of the distribution sector grew by 2½ per cent in the quar-

consumer demand to continue rising as real incomes grow, but it is pessimistic about the prospects for fixed investment

In 1987, non-oil growth will pick up to 2.2 per cent - still well below the 3.7 per cent recorded last year but a decline in North Sea oil pro-duction next year will reduce growth for the whole economy to 1.8 per cent, The Institute expects.

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STRENGTH IN

dures and information systems.



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It is a delicate balance, but, clearly, an achievable one. Contact your nearest branch for more infor-You'll find an ever-open door. Standard & Chartered
STANDARD CHARTESTS BANK, HEAD OFFEE 28 BOND SECTION ADD.

 $\sqrt{s} < N$ 

Our Foreign Staff report on the inquiry into the Soviet nuclear disaster

# Chernobyl engineers ignored safety rules

SIX SEPARATE violations of sions of technical protection tions in the section of safe loaded.

safety procedures are listed in facilities and violations of performance of the operating the Soviet report to the Inter-operating regulations which process."

Later, because of the unstable way in which the reactor was national Atomic Energy Association on the accident to the Chernobyl nuclear research. Chernobyl nuclear reactor in the Ukraine on April 25-26.

or responsible communications and the second of the second

The report says that the errors occurred when important parts of the safety system of the reactor had been switched off as part of a programme of special tests. However, the engineers on duty dent 108 people were taken to hospital and acute radiation sickness was diagnosed in 84. Up to the beginning of last month a huge emission of radioactivity into the environment.

"The basic motive in the electric hurbing sentents." switched off as part of a pro-"The basic motive in the behaviour of the personnel was the attempt to complete the behaviour of the personnel was the attempt to complete the tests more quickly," the report says. "Violation of the established order in preparation for and performance of the tests, violation of the testing programme itself and carelessness in control of the reactor installation attest to the inadequate understanding on the part of the personnel of ... operating processes in a nuclear reactor and to their loss of a sense of the danger."

from the supply of steam produced by the nuclear reactor, and the supply of steam produced by the nuclear reactor, was the report. With the aid of the computer model the inquiry has pieced together the probable sequence of events starting at 1.19 am on April 26. Even by then, it says, the reactor was operating in "an unstable manner mission of inquiry into the operators were introducing what it calls "disturbances" into the control system almost continuously in the duced by the nuclear reactor, was the report.

With the aid of the computer model the inquiry has pieced together the probable sequence of events starting at 1.19 am on April 26. Even by then, it says, the reactor was operating in "an unstable manner and the operators were introducing what it calls "disturbances" into the control system ald been switched off.

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With the aid of the computer model the inquiry has pieced together the probable sequence of events starting at 1.19 am on April 26. Even by then, it says, the reactor was operating in "an unstable manner" and the operators were introducing what it calls "disturbances" into the control systems had been switched off.

A POTENTIALLY disastrous

fire broke out near the ruined reactor at Chernobyl almost a month after the accident there on April 26, a Soviet newspaper indicated yester-

The Leniuskoye Znamya, a newspaper for the Communist party of the Moscow region,

party of the Moscow region, did not say exactly where the blaze occurred, but made clear it was extremely close to the disabled reactor, quoting firemen as saying they could battle the flames for only a few seconds because radiation was so high.

One fireman said that he and his team had leared the flames would spread to oil

flames would spread to oil storage tanks, adding that it was better not to think what would have ensued if this had

The fire was apparently detected around 2 am on May 23 about some 80 ft above the ground in what Lenin-

skove Znamya indicated was

reactor. With their radiationmonitoring devices going off the scale, firemen equipped with respirators tried

unsuccessfully to lower heavy-duty fire extinguishers to the source of the blaze about 40 ft off the ground.

They were then forced to

fight the flames in teams of three, fleeing for shelter after

a few seconds, it said. The fire was put out only after

teams arrived 90 minutes later from as far away as

Kiev, 80 miles to the south,

and Kharkov, about 225 miles to the east.

Fire near

reactor

revealed

pages in English translation says that 176 people were on duty at Chernobyl on the fate-ful night when the tests were started, with 268 construction workers also nearby.

Immediately after the accithe electric turbine generator from the supply of steam pro-

CHANCELLOR Helmut Kohl of

West Germany and Franz Vran-itzky of Austria met yesterday and agreed to differ over West German plans to build a nuclear

reprocessing plant at Wackers-dorf in Bavaria some 75 miles

After a 90-minute meeting in the resort of St Gilgen near Salzburg where Mr Kohl rents a summer house, both men emphasised that their talks had been friendly despite recent public, and at times heated, rows about the issue between politicians in both countries.

The dispute has been especi-

ally sharp between Mr Franz Josef Strauss, the Bavarian Prime Minister, and politicians

in Vienna who have called on the West German authorities to

the West German authorities to reconsider their plans to build the plant. Austrian politicians accused Mr Strauss of builying and of having high-handedly and rudely dismissed their concern about the dangers posed to Austria. Mr Strauss for his part describes Austrian fears as "superstition" and in June banned the entry into Bavaria of Austrians wanting to protest

of Austrians wanting to protest

and interest in the atom, Reuter reports from Stockholm.

The number of visitors to the

Kinghals station in western sweden doubled in the first three months after the April 26 disaster to some 10,000, compared with the same period Christmas."

from the Austrian border. After a 90-minute meeting in

The report, which is highly behaving the operators were technical, and clearly not working with considerably fewer intended for lay readers, never-controls than allowed in the theless gives a frightening safety procedures. Control rods second-by-second picture of the are the vital part of the reactor operators struggling to control which prevent the nuclear reac-

The report gives a frightening second by second picture of the operators struggling to control the reactor manually after several automatic safety systems had been switched off.

Chancellors try to cool reprocessing row

Chancellor Vranitsky (left) and Chancellor Kohl who met yesterday and agreed to differ over West German nuclear reprocessing plans

Thousands tour Sweden's N-power plants

TENS OF thousands of tourists This is the topic of the day, so talists and the Copenhagen forced many Swedes to change are flocking to Swedish nuclear people want to learn more government, which has called their eating habits when game, plants after the Chernobyl about nuclear power," according to Ms Ann-Christine Buch, several hundred Danes have areas were declared unfit for

Some people have had to be turned away on particularly busy days. "There's really huge interest. We're booked up every single weekend until year 2010. Immediately after

The location of Barsebaeck appointed to investigate if this

several of the automatic safety systems had been switched off. With the aid of the computer model the inquiry has pieced

the reactor manually after tion from becoming so intense as to cause a meltdown or even an explosion. The report says that at 1.22 pm and 30 seconds the reserve was two times lower than the minimum specified by

regulations.
Shortly afterwards, operators overrode a warning signal to shut the reactor down, prefering to keep the experiment going. But eventually the danger signals became so great that the supervisor decided to push button AZ-5.

the danger."

It continues: "The developers of the reactor installation did not envisage the creation of protective safety systems capable of preventing an accident in the presence of the set of premeditated diversions. It properly carried to keep it under to k This was the crucial stage, and the dramatic event is des-

As a result, the otherwise traditionally good relations between the two countries have been soured and both leaders were eager yesterday to mend in the autumn to provide fences.

Austria with information on its nuclear plants. It will commit the meeting that he had had been soured and both leaders little hope of changing Mr another in the case of accidents.

visited the plant since the accident in the Ukraine.

Chernobyl, a commission was

the active zone. The rods went down, though impacts were heard, and the operator saw that the absorber rods stopped without reaching the bottom ends. Then he cut off the servo drive couplings, so that the rods fell into the active zone by their own weight." Explosions then occurred.

Subsequent computer analysis suggested that a surge of power occurred. But because the cooling water flow was by now falling, an intense amount of steam formed. Particles of disintegrated fuel were falling into the coolant, with a sharp increase in pressure in the operating channels. The channels then ruptured and a ther mal explosion followed.

The six specific violations mentioned in the report are difficult to understand without detailed knowledge of the reactor type. However, the report concludes: "An extremely imp-probable combination of procedure violations and operating conditions tolerated by person-nel of the power unit thus was the original cause of the acci-

It says the accident became catastrophic because the operators deliberately brought it to a condition which was quite contrary to what was allowed in

Popular opposition to nuclear

nuclear power plant at Zwen tendorf. This was completed in 1978 but has remained unused

after a referendum the same

year narrowly came out against starting it up. The accident at Chernobyl in the Soviet Union

has heightened concern here

about nuclear power and the Government has decided to dis-

It was announced after yes-terday's meeting that West Germany will sign an agreement in the autumn to provide Austria with information on its

areas were declared unfit for

human consumption, had

strengthened Sweden's convic-

tion that nuclear power must

"People are querying nuclear power to a much higher extent

than before. There's a mixture

mantle the plant.

Mr Maire said he disagreed with Mr Philippe Seguin, France's Social Affairs and Employment Minister, who recently said the present range of 2m-2.5m French people out of work could not be reduced. Mr Maire, who heads the pro-Socialist Confederation Fran-caise du Travail (CFDT) trade Kohl's mind about the plant which has raised a storm of protests from environmen-talists in Austria. Mr Kohl said union, did hold out the prospect of common ground, however, when he said administrative rules should be simplified in order to give unemployed people work even of a part-time he respected Austria's decision

French

iobless

figures

worsen

By David Marsh in Paris

FRANCE'S right-wing Govern-

ment appears to have found a receptive ear for its plans to

introduce more flexibility into

barriers separating people from

Signs of willingness by

unions to support the Govern-ment's policies on jobs coincide with a distinct worsening in the

will depress the figure over the next year or so.

unemployment figures.

not to have nuclear power but that Austrians should also respect West Germany's deci-sion to build Wackersdorf. "Wackersdorf will be built. There will be no period for rethinking," he said. nature. In an article written for Le Monde, Mr Maire said that even though full employment in the traditional sense might no longer be possible, "everyone in the country should have an activity, a salary or a form of power in Austria has prevented the commissioning of the only

Calling for more "socially useful" jobs, including those that could be carried out at home, Mr Maire said changes in the laws covering working con-ditions were needed to bring more people into work. He said there were "many possibilities" of useful activities which at present were not being exploited or were being carried out purely as part of the "black economy." Mr Maire's remarks overlap

with efforts by Mr Seguin to "reintegrate" workers in the black economy. The minister yesterday said he favoured fiscal deductions to create "peri-pheral" jobs which would replace clandestine ones and bring workers back into the official economy — as well as into the tax net.

The Government's principal move up to now to ease some of the rigidities of French labour regulations has been to allow employers to fire workers without going through lengthy administrative procedures. The Government claims these rules have been a major impediment dissuading employers from recruiting in the past.

Removing these formalities. however, is likely to influence the jobless figures adversely before any positive effect works

Mr Maire's meeting of minds with Mr Seguin over labour flexibility comes at a time when the other major left-wing union. the Communist-led Confedera-tion Generale du Travail, has thrown down the gauntlet over a new wave of job cuts at Renault, the loss-making state owned car group.

The CGT plans nationwide action in protest at plans for around 730 redundancies at Renault's headquarters, Billancourt, near Paris.

# Paris oil search

Total, one of France's two state-controlled oil companies, said yesterday that a seismic survey of Paris and its suburbs had begun and would continue over the next five months in a search for oil, AP reports from Paris. Total has a 35 per cent interest in the Paris-Ile de France exploration licence. Elf Aquitaine, the other state-controlled company has 50 per cent and two units of British Petroleum together have a 15 per cent stake.

### Denktash request

Outgoing Turkish Cypriot Prime Minister Dervis Eroglu said yesterday that Mr Kauf Denk-tash, leader of the self-pro-claimed republic, had asked him to form a new govern-ment within 15 days. Reuter reports from Nicosia. The Government fell because of disagreement over economic

### Greeks on strike

Thousands of Greek union members staged a four-hour strike vesterday in protest at wage restrictions and the government's relaxation of rent laws. Reuter reports from Athens.

### Gibraltar protest

Gibraltar's chief minister Sir Joshua Hassan, said yesterday he planned to send a stronglyworded protest to Britain over the removal of the British ceremonial guard from the frontier between the Rock and Spain, AP reports.

# Sudan rebels claim to have shelled southern town

THE Sudan People's Liberation Army (SPLA) said yesterday that its forces shelled the southern town of Wau and killed at least 117 Government soldiers at the start of an operation to capture four strategic towns, AP reports Radio SPLA, the rebel mouththe labour market following a call from Mr Edmond Maire, one of the country's leading trade union leaders, to lower some of the legal and regulatory theories reporting pagents from

piece, said the shelling was con-

centrated on a government army barracks, Wau bridge, the

town's airport and railroad.
Wau is a main distribution
point for food from western
relief agencies to help feed an
estimated 2m people at risk
from starvation because of the three-year-old civil war between the SPLA and the government

the SPLA and the government in Khartoum.

"The combined SPLA task forces of Nile, Twik Twik and Wau, under the command of Captain Bakat Agwek, compiled with he orders of their commander in chief and attacked and shelled Wau Town for the first time." the According to government figures published yesterday, seasonally adjusted unemployment last mouth rose 1.4 per cent to a record 2.47m people, representing a rise of 2.5 per cent over the past 12 months. A total of 10.5 per cent of the labour force is out of work with little hope that the modest pace of French economic growth . . . for the first time." the broadcast, monitored in Nairobi.

said.
It did not say when the attack occurred. But, on Tuesday, radio SPLA warned residents of Wau and three other southern towns to evacuate them because of imminent fighting with Government



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The radio said Government troops at Wau Barracks had re-volted for several hours on

August 14.

The broadcast indicated that residents had not heeded the warning to evacuate the town. It said thousands of civilians fied in panic when the SPLA stretch.

attacked.
Tuesday's broadcast also asked for everation of Juba.
Malakay and Bentiu, but there was no word in the latest broadcast that those towns had been attacked.

# **New Zealand newsprint** plant closed indefinitely

BY DAI HAYWARD IN WELLINGTON

NEW ZEALAND'S biggest producer of newsprint and the
country's largest single
exporter, the Tasman company's
Kawerau plant has been shut
down indefinitely following a
five-week strike by pulp and
overseas. paper workers.

Fletcher Challenge, the parent company, said it could no longer employ the 1,500 wor-kers at the plant and had decided to shut down until the striking union gives an under-taking it will end disruptive strikes and agrees to new man-

ning levels.

The company indicated the plant could be shut for six months or more. Tasman is losing NZ\$ 2m (£688,900) a week because of the strike. Last year the plant "exported tries has mothballed a yarn NZ\$ 200m of newsprint and nulp.

have already had a serious years.

The company action is a direct confrontation with the Pulp and Paper Workers Union—one of 12 unions at the plant. Sir Ron Trotter, chairman of Fletcher Challenge, blames "misguided" union leaders for the shutdown. He says the company successfully negotiated agreements with 11 of the 12 unions at the

. The shutdown and the strike programme over the last two

# HK anti-nuclear delegation presents petition to China

BY ROBERT THOMSON IN PEKING

the Chinese Government with a control in 1997.

Nuclear Power Plant that he would pass the petition and their concerns on to China's State Council.

A HONG KONG anti-nuclear attention on how Peking will delegation yesterday presented treat Hong Kong after it takes

the Chinese Government with a perition apparently carrying 1.04m signatures from the Territory, calling for the scrapping of a planned nuclear power plant at Daya Bay in southern China.

The petition was presented to Ni Hou, deputy director of the Hong Kong and Macau Affairs Office, who told the members of the Coalition for the Shelving of the Daya Bay Nuclear Power Plant that he equipment for the \$4bn 1,800 MW facility, though contracts are yet to be finalised.

It is expected that Framatome will sign its contract next

month.
China's official news agency,

Twelve members of the coalitation would allow officials of Twelve members of the coalition arrived here on Sunday to protest against the plant, which is to be built just across the facility in what diplomats border from Hong Kong and believe is a response to the which has led to an unusual gathering of public opinion against the nuclear power in the Territory and focused

# Iran charters giant supertanker for storage

BY RICHARD JOHNS

the Strait of Hormuz.

It is understod to be paying \$13,879 (£9,312) a day for the use of the vessel which is expected to be in place to load tankers towards the end of the month. It is owned by Universal Patroleum Carriors of the sal Petroleum Carriers of the US and managed by Island and Navigation of Hong Kong. Three "mother" or floating

storage vessels were moved to the Val Fair-2 terminal in the wake of Iraq's first—and very successful—raid on Irau's Sirri Island transhipment terminal on August 12. The extent of the disruption

The extent of the disruption to Iran's oil exports is indicated by the fact that yesterday there were no less than 21 tankers waiting to lift oil in the vicinity of Larak Island, according to shipping executives. Loading began on Sunday but the size of the onene suggests other of the queue suggests other technical difficulties as well. Western military experts say that Larak Island is within the range of Iraq's French-supplied F-1 EQ200 fighter bombers with the assistance of in-flight refuelling. refuelling.

IRAN has chartered the largest ultra large crude carrier ever built, the 565,790 dwt Seawise Giant, for floating storage at its new export terminal facility off Larak Island near the Strait of Hormus the T-jetty there are operational and only one at the more important Sea Island. lran's exports are probably averaging no more than 1.2m barrels a day compared with a

rate sustained in recent months of up to 1.8m b/d, according to industry estimates.

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PINANCIAL TIMES blished by The Financial Times

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# The location of Barsebaeck appointed to investigate if this of curiousity and fear," said should be speeded up. Sweden and only 12 miles from "Chernobyl is certainly the main factor behind the increase. The location of Barsebaeck appointed to investigate if this should be speeded up. Mr Ingvar Carlsson, the Of the visitors' centre at the Prime Minister, said last week- Forsmark plant on Sweden's east coast. It was not clear why the fire had not been reported Kurds killed in Turkish air raid on guerrilla hideouts in Iraq

A TURKISH air raid on Kurdish guerrilla hideouts in northern Iraq last Friday killed between 150 and 200 people. Prime Minister Turgut Ozal was quoted as saying yesterday, Reuter reports from Ankara.

The mass circulation daily newspaper Milliyet reported that he cave the figure to a villence of the foreign and prime ministries raid. Col Gaddafi was quoted on Tuesday by Libyan radio as calling it unacceptable and likening Turkish policy to that the attack on what he called three rebel hideouts was in The message, which interfers in our internal affairs, with his criticism of the on Tuesday by Libyan radio as calling it unacceptable and likening Turkish policy to that of Israel and South Africa.

The message, which interfers in our internal affairs, with his criticism of the affairs with his criticism of the on Tuesday by Libyan radio as calling it unacceptable and the attack on what he called three rebel hideouts was in The message, which interfers in our internal affairs, with his criticism of the on Tuesday by Libyan radio as calling it unacceptable and the attack on what he called three rebel hideouts was in The message, which interfers in our internal affairs, with his criticism of the attack on Tuesday by Libyan radio as calling it unacceptable and the attack on what he called three rebel hideouts was in The message, which interfers in our internal affairs, with his criticism of the attack on Tuesday by Libyan radio on Tues

GEOFUND

DIVIDEND NOTICE
NOTICE IS MEREEY GIVEN to holders
of Bearer Shares of Geofund Convertible
Sonds that on or affor 2 September, 1986.
DAYMENT OF A final dividend of USSO.71
(71 conts) per share in issue on 18 August
(1985, will be made against surrender of
Coupon No. 2 with one of the following
Coupon No. 2 with one of the following
KANUFACTURERS
(GUERNSEY) LIMITED. P.O. Box 92
Manufacturers Manorey House, Le Truchol. St. Peter Port, Guernsey, Channel
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7 Prince Street. London EC.2P 22EN:
RREDIETBANK S A. LUXEMBOURGEOISE.
43 BOULEVART REPORT. Luverbourg.
Reposted shareholder minimum 4
cheque of the property of the sound of the control of

CHEMICAL NEW YORK CORP CHEMICAL NEW YORK CORP USS300,000.000
FLOATING RATE SUBORDINATED CAPITAL NOTES DUE 1997
In accordance with the provisions of the notes, nature is hereby given that for the interest ported from 19 August, 1986 to 19 November, 1986 he notes carry an interest rate of 64% per annum. The interest payable on the relevant interest payable on the Joseph No. 7 will be USS798 61 per USS50.000 note.

Agent Bank Agent Bank CHEMICAL BANK

Clubs

EVE has outlived the others because of a policy of fair play and value for money Supper from 10-3 30 am. Disco and too musicians, glamprous hotheses, exciting floored own, 189, Recent St., W1, 01-734 0557.

1972/87 64% Lux. Francs 800,000,000 External Loan On August 7, 1986, Bonds for the amount of Luxembourg Francs 100,000,000 have been drawn for redemption in the presence of a Notary Public. The Bonds will be redeemable coupon due September 25, 1987

attached on and after Septem-ber 25, 1986. The drawn Bonds are those. NOT YET PREVIOUSLY RE-DEEMED, included in the range

beginning: at 7233 up to 13674 incl. Amount outstanding: Lux. France 180,000,000 Outstanding drawn Bonds: 4908 to 4916 Incl. 4975 4983 5050 to 5055 incl. 6569 to 6576

Luxembourg, August 21, 1986 The Fiscal Agent KREDIETBANK SA LUXEMBOURGEOISE

CORRECTION NOTICE
SONATRACH
US\$50,000,000 Floating Rate Serial
Notice IS HEREBY GIVEN that the
rain of Interest has been fixed at
7-% and the Coupon Amount
payabla February 19, 1987, egainst
Coupon No. 16 will be US\$306.67.
BY CITIBANK, N.A., LONDON
Agent Sank
August 19, 1986. CORRECTION NOTICE

The second of th

press officer at the Barsebaeck nuclear station.

newspaper Millivet reported that he gave the figure to a villager while touring rural areas "They say around 150-200 people were killed. This is what they tell me," he was quoted as Contpany Notice "They say around 150-200 they tell me," he was quoted as Contpany Notice "They say around 150-200 they tell me," he was quoted as Contpany Notice "They also accused the Libyan leader. Col Muammar they tell me," he was quoted as Contpany Notice "They also accused the Libyan leader. Col Muammar they tell me," he was quoted as Contpany Notice "They called hideouts was in reaction to the killing of 12 the message, which interfers mour internal affairs, should it be delivered, will be rejected, a Foreign Ministry spokesman said.

Turkey also accused the Libyan leader. Col Muammar they tell me," he was quoted as Gaddafi, of interfering in its paigning for autonomy for 8m Kurds, said hundreds of people,

including women and children, were killed in the raid, in which 10 F-4 Phantoms bombed three rebel sites.
He accused Turkey of moving two-thirds of its army of about 835,000 soldiers to areas inhabited by Kurds and using it in operations against them.
"They are confiscating food our people have in store and carrying out arrests," he told

a news conference.

# Czechoslovak beer output BY PATRICK BLUM IN VIENNA

Storms brew trouble for

Czechoslovakia, threatening an important hard currency earner and one of the country's few internationally known quality

Czechoslovakia is the fifth largest beer producer in Europe and its beer is exported to more than 60 countries. It is also the second largest con-sumer of beer in the world after West Germany, with foreign tourists accounting for a large proportion of the consumption.

According to CTK, the Czechoslovak news agency, the hop fields have suffered heavy damage from bailstorms over

VIOLENT STORMS have seri. The weather has been so bad ously damaged hop fields in that in another district five students among the hundreds helping with the harvest were wounded by falling trellises during a storm.

Hops are grown on some 11,300 hectares throughout Czechoslovakia and the country is the world's fourth largest producer, CTK said yesterday About three-quarters are exported to non-Communist countries such as West Ger-many, Japan, the US and

Until this week is was thought that the harvest would still be relatively good, but the latest storms dealt a severe blow. In Vienna connoisseurs damage from hallstorms over were wondering apprehensively the past week. Some fields have whether their favourite brands been inundated with water and such as Pilsner Urquellmud, and in one ceotral regarded as the Rolls-Royce of
Bohemian district only 240 beers—would still be available
hectares of planted hops survived out of a total of 2,600, winter evenings.

# State to help Danish shipyards

BY HILARY BARNES IN COPENHAGEN

receive a helping hand from Loans indexed to the inflation the state, following agreement rate from the state's Ship Credit

tually no new orders since the end of 1984. One announced that it was closing in June and several others are in imminent danger of having to close. Among the main points in

the political deal are improved

financing arrangements and

the state, following agreement late on Tuesday between the minority non-Socialist Government and the opposition Social Democratic Party.

The yards have received virtually no new orders since the inflation.

> The agreement will allow self-employed businessmen to use tax exempt investment reserve funds for buying shares in ships, while the rules for writing off the investment will

DANISH SHIPYARDS are to more flexible investment rules. be improved. The shipyards receive a helping hand from Loans indexed to the inflation believe that this change could produce finance for three or four large vessels. Until December 1984 the yards, almost alone in Europe, received no direct state sub-

sidies other than financing on OECD-agreed terms. But execptionally favourable tax writeoffs were available to investors who bought shares in ships. The system became so popular as a tax dodge that the Government, fearing that it was losing substantial income tax revenue, abolished it.

# **OVERSEAS NEWS**

# Pretoria to give R3.1m to families of detainees

jq

WSpig.

FAMILIES of South Africa's emergency detainees are to be given R3.1m (£794,870) relief assistance by the state, Finance Minister Barend du Plessis said in Cape Town yesterday. The relief will be provided as part of a newly-budgeted R750m package of state spending intended to create jobs and to stabilise

Mr du Plessis did not say how the money would be allocated to detainees' relatives.

On Monday the Government disclosed the identities of 8,551 people who have been held for more than 30 days without trial or access to relatives since the declaration of a nation-wide state of

emergency on June 12.
On Tuesday Mr Neil Ross, head of the Progressive Federal Party's Missing Persons Bureau, alleged that the list of names provided by the Government was incomplete. He said it did not include at least 2,500 people who had been held for less

Mr du Pleats said the state would provide R400m to a trust fund which will provide money to unemployed people to enable them to build their own low-cost homes. A further R356m will be spent on other labour-intensive, job-creation projects around the country

which can be started quickly.
The housing trust fund is
to be augmented by the issue
of about R1.2bn of housing
bands at market-related interest rates. Mr du Plessis said that several house building projects could start within the next few days as land is available and its development has only been awaiting the necessary

finance.

The United Democratic Front, South Africa's largest anti-apartheid coalition, celebrated its third birthday yesterday with a vow to inten-sify its activities despite

sify its activities despite state-of-emergency curbs. AP reports from Johannesburg. About 1,000 people, mostly students, marked the UDF's anniversary at a noisy indoor raily at the University of the Witwatersrand in Johannesburg. But police banned another UDF meeting that was to take place at City Hall in Cape Tewn.

# Counting the cost of destabilisation

Michael Holman assesses the position facing

WHEN leaders and ministers from nine southern African states meet in Luanda today to discuss recent events in South Africa and plan the imposition of sanctions against Pretoria, they will also be considering their own vulnerability to

retaliation. Nearly six and a half years after the nine states—Angola, Botswana, Lesotho, Malawi, Mozambique, Swaziland, Tan-zania. Zambia and Zimbabwe launched a regional grouping designed to reduce trade and transport links with South Africa, the dependence in most respects is greater, not less.

A report compiled late last year by the nine, known as the and persuasion from Pretoria. Southern African Development Co-ordination Conference
(SADCC), notes progress in
some areas — such as telecommunications — but concludes: some areas — such as telecommunications — but concludes:
"As measured by trade flows through SADCC and non-strica) the region has become more dependent on the latter more dependent on the latter since 1980." Zambia and Zimbabwe, fwo of the states at the some with additional lacemetics or through proxies, disrupts alternative routes to the sea through Mozambique and through Mozambique and Angola. On the other, Pretoria's transport officials do their best to keep those routes which interlock with the South African railway system running smoothly, providing neighbours with additional lacemetics. since 1980." Zambia and Zimbabwe, fwo of the states at the forefront of calls for sanctions, channel around 45 per cent and 90 per cent respectively of their trade through South Africa. The cost of what SADCC terms South Africa's "destabilished by through South Africa at the end of ation campaign" has been means that Pretoria has been affine campaign has been means that Pretoria has been affine campaign has been means that Pretoria has been affine campaign." he has means that Pretoria has been affine campaign has been means that Pretoria has been affine campaign." he has means that Pretoria has been affine campaign." he has means that Pretoria has been affine campaign." he has means that Pretoria has been affine campaign.

and Johannesburg remains the hub of regional air traffic, linked by 120 weekly direct flights to seven Southern African capitals.

The research for SADCC's

African capitals.

African capitals.

The reasons for SADCC's to spare, has been unaffected gloomy report stem largely from South African counter Africa. Yet the Chinese-built Since the group's inception in April 1980, efforts to break

free of South Africa's domin-ance of the region have been met by a combination of force On the one hand, South African military action, direct or through proxies, disrupts trade through South Africa.

The importance of South Africa ation campaign" has been massive. A study by the group puts it at US\$10bn (£6.7bn) between factured imports has not significantly decreased, says the report. Four of the nine have productive capacity, lost touration campaign" has been mas- an umbilical trade cord.

and Zimbabwe) takes place.

Aware of their vulnerability
to South African retailation. the Southern Africa Development the African leaders will be con Co-ordination Conference which meets today sidering what sanctions they can apply against Pretoria and what contingency plans could cushion Pretoria's They will have before them a list of measures endorsed by

six of the seven Commonwealth leaders (including President Kenneth Kaunda of Zambia and Mr Robert Mugabe, Zimbabwe's Prime Minister) at the meeting line, opened in the mid-1970s, has a disastrous record with problems in the management of the line, shortages of rolling to air links with Pretoria and stock and locomotives, and in-efficiency at the port, leaving iron and steel and agricultural Tazara running at a fraction of goods. capacity.

The threat of these sanctions As SADCC itself stresses, its has already provoked South plans for co-operation in the areas of industry, agriculture, of the London meeting, trucks carrying goods to Zambia and Zimbabwe were delayed at border checks as South African energy and mining are critically dependent on efforts to reduce transport links with South Africa. The failure of customs officials enforced regu-lations which seemed designed to call attention to the vulnerability of Harare and Lusaka. Mr Mugabe appeared undeterred. The same week he

promised that by the end of the year Zimbabwe would impose the complete London package. So far President Kaunda, who supports the package in principle, has not committed himself to a timetable, while there has been no

through traffic closed SADCC railwa by guerrilla activity South African railways amibe AFRICA

Luderitz

represented in Luanda) which provides a stopover in Nairobi for 38 international flights a week to Johannesburg. The first task of the Luanda meeting is to co-ordinate action.
The second will be particularly challenging, given the record of the past few years: to make further, urgent efforts to find alternative trade routes. Attention will be focused on two outlets. The first is the so-called Beira Corridor, a vital total savings to the two coundeteriorating, with the result rail, road and oil pipeline link tries over the longer, more that more traffic is still being between the Mozambique port and eastern Zimbabwe. Fre-

quently the target of attacks the port is run efficiently.
by the South African-backed While the rehabilitation may
Mozambique National Resistbe technically feasible, the runance (MNR) rebels, the corridor down state of the port means is already protected by some that it will be a slow process.

ZAIRE

Last April aid donors met in
Beira to consider a \$69m contingency plan to upgrade and Salaam port, but again results rehabilitate the route, which could save Zimbabwe \$105 per tonne in freight costs and Malawi \$180 per tonne, giving of the infrastructure is further

Durban

Port Elizabeth

expensive South African route diverted to South African ports of \$455m a year — assuming and railways."

# Violence scars Mahatma site

ism, higher transport costs and

PHOENIX SETTLEMENT, the historic site near Durban founded by a clinic there, caring for blacks and Indian leader Mahatma Gandhi to Indians alike, and they allowed the live out his non-violent philosophy, black squatter school to move into has been engulfed in South Africa's what was once Gandhi's library. gang warfare, Reuter reports.

increased their purchases of ism, higher transport electricity from the Republic greater defence costs.

mushroomed on the site since it ment on their former classroom in a was virtually razed a year ago, black squatters said four of their number died last week in battles over land, money and water. The latest fighting left deserted a school for the squatters' children, which had begun to rise from the ruins of a house where Gandhi lived.

The Phoenix settlement's school for Indian children, Gandhi's house and the valuable library he founded year ago when Indians fled brutal cation." political fighting sweeping the

The settlement's trustees still run ang warfare, Reuter reports. But the pupils, whose makeshift In the shanty town which has desks of bricks were an improvetownship shebeen, or drinking den,

Headmistress Isabel Mngadi, surveying an empty classroom, de-clared: "For four years I've been running this school and we had no facilities and we struggled and worried ... Always there were lots of children and they always came to school, even when there were troubles in the area. I just hope these were almost completely destroyed a troubles will not destroy their edu-

have now fled.

The deadly tensions at the Phoearea's black townships.

nix settlement are tragically familsince then thousands of black iar to South African squatter squatters have flooded on to the degroups. First was the matter of serted settlement's few acres of land, money and leadership. Wholand, building their mud shacks ever wins the title of community right up to the walls of Gandhi's leader has the power to decide who can squat - at a price of up to R500

over the communal water tap. The first wave of squatters is barring a new influx from using it.

It is against this background

that the two-day meeting in Luanda, combining a scheduled session of SADCC and a sum-

mit of the leaders of the front

line states (Angola, Botswana, Mozambique, Tanzania, Zambia

Finally there are rivalries between Zulus, who view the area as their territory, and Pondos from further down the Indian Ocean coast, who fled rural poverty to seek work in Durban.

Durban police confirmed that people had died in fighting at the settlement last week. No details of security force action can be given under sweeping press censorship imposed on South Africa in June From the hillside where Gandhi -

who spent long periods of his life in South Africa - bought land for a communal farm in 1904, the squatters look out at what has become a dense sprawl of black and Indian shanty towns and official town-

Some blacks in the area accuse Indian landlords and shop owners ban on unauthorised reporting trips of overcharging them for food and by journalists into areas affected by making them pay for squatter sites

# **South Africa concedes** (\$190) per site. The latest battle is invalidity of press curbs

LAWYERS acting for the South African Government conceded vesterday that two provisions in the country's emergency regulations which curb press reporting were invalid.

The concession, which stems which in turn relayed it to subscrib-from a technical point involving the ers, had been improperly promulimplementation of press curbs rather than the curbs themselves, is unlikely to have any immediate impact on reporting restrictions currently in force.

lenged by four English language newspaper groups in the Natal Supreme Court, sitting in Pitermaritz- on the validity of the emergency in the course of yesterday's hear-

ing.
The two provisions are the ban on unauthorised reporting of any action by the security forces, and a

Lawyers acting for the Govern-ment accepted that the regulations disseminated by government through a telex message to the South African Press Association

This meant that the two provisions had no standing, but a government lawyer said that they would be reimposed through early publi-The restrictions are being chal- cation in a special government ga-

The court has reserved judgment ourg, and the concession was made press regulations themselves. The newspaper publishers have challenged the regulations on the grounds that they are too wide and too vague to be applicable. A ruling is expected sometime next week.

Requests that the regulations be made more specific have been ignored by the Government.

### FINLAN GROUP PLC

PRELIMINARY STATEMENT

The Chairman, Mr M. W. Rhode, reports: Balance Sheet strengthened by the issue of \$2,500,000 convertible Eurobond.
Rationalisation and relocation programme successfully

Programme of residential, office and commercial developments implemented

First phase of Luton Airport Executive Park nearly

Increase in earnings per share.

Profit on ordinary activities before taxation includes unrealised exchange gains of £287,352 arising from the restatement of Eurobond dollar liabilities into sterling at the rate ruling at 31st March, 1986.

Year ended 31st March (15 months) Profit before tax Net profit (158.399)Earnings per share Dividends per share

# is going to mean a lot more to you

it means that Northwest Orient and Republic, two of the most successful carriers in the USA, are now one airline - flying the Northwest colours, bearing the Northwest name. Never before have two such major carriers, serving so many places and so many people, become one. Never before has there been an airline merger which means so much to you . . .

It means more US cities Now a Northwest ticket can take you from Europe to over twice as many cities in the United States as before! With our Airlink partnerships added to our own increased domestic network, we can take you practically anywhere you want to go in the USA.

tt means more of the world Our network covers over 200 cities in 18 countries, on three Continents. We are the USA's No 1 airline across the Pacific, and no other carrier offers so much of America from so much of Europe!



It means more wide-cabin comfort Northwest flies more full-size 747 jets than any other airline - and now we offer spacious, wide-cabin comfort to far more cities from coast to coast across the United States.

It means same-airline service Now, with all of Northwest's and Republic's networks brought together, we offer same-airline service from London Gatwick. Glasgow Prestwick, Dublin, Shannon, Copenhagen, Frankfurt, Oslo or Stockholm to more US cities than ever before. Soon we'll be announcing a vast new international and domestic route system, with extra innovations designed to give you an even better service.

The biggest merger in airline history – it's going to mean a lot to you.

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# Mexico capitalises on its citizens' appetite for dollars

BY DAVID GARDNER IN MEXICO CITY

MEXICANS will from today be able to indulge their insatiable appetite for dollars through a new peso instrument the government is issuing both to try to keep savings from leav-ing the country, and as an additional source of badly-

The instrument, known as a pagate (the Spanish acronym for a federal treasury promis-sory note) is denominated in dollars but tradable only in pesos. The idea is to offer investors protection against rapid peso depreciation: pagafe holders buy and sell their notes holders buy and sell their notes for the number of pesos the dollar is worth on the day of

Pagafes will initially be sixmonth notes, with a face value of \$1,000, auctioned at a discount aimed to make them competitive with six-month Eurodollar rates. Using as a yardstick the peso depreciation of 2.1 pesos a day against the country no net new money of 2.1 pesos a day against the country no net new money in the past 20 months, and have been reluctant to add to their exposure here, using the high transactions—and adding in an rate of capital flight as one of

pagafe purchasers could be looking at an annualised return of 125 per cent.

Pagafes are thus an attractive instrument in the securities market, though the government has fixed the size of today's issue at a tentative \$40m —"to test the waters," as one financial official put it. Mexico orty brokers, however, have little doubt the issue will be fully taken up, and expect similar or larger issues soon to become a weekly event.

The study said \$17bn had left the country between when President Miguel de la Madrid —Mexico's most financially orthodox leader for decades—took office at the end of 1982 and last September.

The Bank of Mexico hotly disputes Morgan's methodology and arithmetic. Its own figures

The creation of the pagafe was announced last month to coincide with Mexico's growthcoincide with Mexico's growthorientated agreement with the
International Monetary Fund,
the first stage of an anticipated
finance package worth \$12bn
for the next 18 months, to
which the country's commercial
bankers are being asked to
countribute half.
The healts greditars of the

The banks, creditors of the majority of Mexico's existing \$98bn foreign debt, have lent the country no net new money for debt and merchandise trade exposure here, using the high tight credit policy and a policy revenue last year, has collapsed. transactions—and adding in an rate of capital flight as one of of keeping the peso underestimated 7 per cent discount, their reasons. Morgan Guaranty. valued attracted back around in foreign exchange this year

The Bank of Mexico hotly disputes Morgan's methodology and arithmetic. Its own figures suggest a net outflow of \$1.8bn under this Government, and are foreign currency working balances of Mexican companies abroad and high rates of repayment of private sector foreign debt through the free market are stripped out.

Mexicans are nonetheless, estimated to hold some \$35bn-40bn in foreign bank accounts and real estate, once capital appreciation and reinvested interest is taken into account. A fiercely

President Miguel de la Madrid (right) is the country's most financially orthodox leader for decades. His Government's new peso instrument is an attempt to keep savings from leaving the country and

\$1bn in the first half of this year. One of the pagafe's jobs, rather than attracting back more, will be to stop new money

provide badly-needed

finance for the treasury.

Its other job, obviously, is to raise cash now that the price of oil, which provided about 45 per cent of government



while the treasury will have an oil taxes shortfall of about \$6bn. The public sector deficit, brought down to under 8 per cent of GDP in 1984 from 18 per cent in 1982, the year of Mexico's financial collapse, will now certainly exceed 13 per cent of GDP from an original target of 5 per cent.

With its attractive yield, the

With its attractive yield, the pagafe looks expensive for the

government, but seen another of what money there is. Cut way, it could provide anything of from new credit abroad, it has taken 93 per cent of banking a par with the London interbank offered rate (Libor) but no spread, reducing the panel for

reduction in Mexico's financial pie. They have every reason to be cautious. Total resources in the banking sytem, which was nationalised in 1982, shrunk 13 per cent in real terms last year, and at the same rate during the first half of this year. This was inspite of a rise in the average real yield of a basket of bank savings instruments of 5 points.

Part of the reason is that after four years of the worst Part of the reason is that after four years of the worst economic crisis for half a century, production has not recovered to pre-1982 levels, unemployment has doubled, real wages have halved, the inflation rate, now running close to 90 per cent, remains stubbornly high and there is simply less money around.

on a par with the London interbank offered rate (Libor) but no spread, reducing the need for foreign borrowing by a corresponding amount.

Officials here are much more cautious than this, stressing the reduction in Mexico's financial pie. They have every reason very real spending cuts it has Attempts to correct these distortions by government flat have rebounded. Last October.

for example, the auction system for Treasury bills (cetes) was abolished, dropping three-month rates from 75 to 66 per cent overnight. Money moved out of cetes into over-the-counter commercial paper, banker's acceptances and equities and the Treasury began to have difficulty placing its bills even

On July 17, the auction system for cetes was restored, all issues since then have been for only 28 days (suggesting, at least that interest rates have topped out) and now the pagafe has been slotted in as a six-month instrument between the Treasury bills and much longer-term petrobonds and acceptances.

The pagate is therefore part of a much more carefully thought out realignment of Mexico's money market which is at least as important as the capital flight issue.

The small size of the first pagafe issue is in part designed to see if it creates displacement of other instruments: petro-bonds, for example, are also a substitute for dollars, tied to a substitute for tonials, and as a guaranteed oil price fixed at the beginning of the bond's life, with a "lottery" element should the oil price rise:

curve. The curve the gap, it then paratosis is the Government's monopoly this June.

constantly rising interest the oil price rise.

The \$40m initial issue is to be compared with roughly \$5bm in government instrument curve rates, and which outstripped is the Government's monopoly this June.

# Product liability threatens aircraft makers

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

SOARING product liability Cessna would fall this year to claims are threatening the 5,000, from 20,000 at the begin-future of manufacturers of ning of the decade. Overall, the small private and business airlight aircraft manufacturing ment reaft in the US. Mr Russell industry's lay-offs totalled 66 85 is Meyer, chairman and chief per cent of the workforce. The problem has arisen 1978. US "big three" light aircraft because of large increases in builders, told a recent Congressional Judiciary Committee the aircraft manufacturers. hearing in Washington that they were "on the threshold of see-ing an entire industry destroyed because of the uncontrolled impact of a product kiability environment which has lost reasonable relationship to either negligence, proximate cause or measurable damage."

He was speaking in support of a bill before Congress reducing the scope of product liability claims against aerospace manufacturers.

the alreraft manufacturers, involving many millions of dollars in payments to litigants, and consequent big increases in insurance premiums.

These in turn have resulted in soaring prices for aircraft, deterring buyers, and forcing big cuts in production rates, and subsequent labour layoffs. Mr Edward Stimpson, president of the US General Aviation Manufacturers Association, said the size of judgments in Mr Meyer said employment at "exploded."

that "over 30 per cent of the resulted in the industry's total dollar amount of judg- for ciaims and associated of ments and settlements in 1984— had "skyrocketed" from \$ 55 involved paid claims of in 1977 to \$209.7m in 1985.

\$1m or more, in contrast to only 4 ner cent in the period of the cent in the period of the cent in the period of 4 per cent in the period of 1978-81."

He added that while manufacturers accepted their respon-sibilities where a product was defective, they would "no longer be the insurer of last resort for those who use our products carelessly or inappro-priately. This element of pro-duct liability legislation will contribute to further improve-ments in aviation safety, since 87 per cent of fatal accidents involve pilot error."

Mr Stimpson said that the general aviation safety record had improved steadily, but the

He told the House committee volume of liability lawsuits had resulted in the industry's bills for claims and associated costs had "skyrocketed" from \$24m "How can an industry with

\$900m in projected new aircraft sales revenue for 1986 possibly survive? " Mr Stempson asked. Mr Meyer, in his evidence to the committee, said that the industry in the current legal environment was often judged "under today's standards for aircraft produced long before these standards were known or

Cessna, which had suspended production of its piston-engined range indefinitely in June, would be "unlikely" to resume production of such types " if the product liability issue is not

# **US** housing starts fall 1.8%

By Reginald Dale, US Editor, in Washington

THE US housing boom con-tinued to tail off last month, in a further sign of a weakening economy, according to government figures released yesterday. The Commerce Department said that housing starts fell by 1.8 per cent in July, the third consecutive mentaly decline.

The three-mouth fall,

amounting to a decline of 10 per cent in the annual pace of housing starts, was the steepest since autumn 1981. Housing construction for the first seven months of the year, however, was still running 9.1 per cent ahead of the same period last year, and the industry expects that 1986 as a whole will still be a very good year, largely as a result of much lower mortgage interest

Industry analysts are hoping that construction starts will pick up again in the menths ahead as mortgage rates continue to fall. Despite the recent declines, housing starts for the year so far are still charter an expend rate of showing an annual rate of 1,934,690 homes, the highest

A further sign of weakness in the economy came yester-day with figures showing that consumer spending rose by only a modest 0.2 per cent in July, following strong gains of 1 per cent in June and 0.5 per cent in May.

# Salvador Government holds talks with left-wing rebels

BY OUR MEXICO CITY CORRESPONDENT

SALVADOREAN government in October and November 1984 and left-wing rebel leaders met in El Salvador, but broke down in Mexico City yesterday in a renewed effort to agree on the as when they began. agenda, venue and date of a third round of negotiations to end the country's six-year-old civil war.

Both sides sent middle-ranking delegations to the meet-ing and agreed to keep its results secret until a full third round of peace talks takes place in El Salvador, assuming they decide to meet at all.

If yesterday's meeting proves successful, the new negotiations could take place as early as next week, with Angust 29 one likely date.

It is understood that President Jose Napoleon Doarte and General Adolfo Blandon, the army chief of staff, would lead the government side, with the insurgents fielding their toppolitical leaders, Dr Guillermo Ungo and Mr Ruben Zamora, and two main military commenders. Comandatic Joseph manders, Comandante Joaquin Villalobos, from the East, and Comandante Leonel Gonzalez from the North of the country. The two previous attempts to start substantive negotiations took place amid much publicity

The rebel army, the Fara-bondo Marti National Liberation Front (FMIN), is calling for a broad based caretaker coalition to be set up prior to a ceasefire and elections open

Mr Duarte's US backed government is willing to offer the rebels no more than an amnesty and the chance to take part in future elections if they lay down their arms and sur-

The FMLN has modified its 1984 proposals, which called for a power sharing transitional government with integration of

"We are calling for the democratic recomposition of the government on a caretaker basis, with a fixed time scale Zamora said.

These elections would decide who rules El Salvador.

# Israelis deny spy charge

THE PRESIDENT of Recon Optical, a US company which makes sophisticated aerial spy systems, said yesterday Israel had schemed to steal the company's technological secrets, Reuter reports from Chicago.

Israel called the charge baseless, saying it was involved in a "purely commercial dispute" with the company that involved contract cost overruns.

contract cost overruns.

Mr Larry Larson, company
president said Israeli officers stationed at the group's Illinois plant passed on technology and proprietary data to a commer-

cial company in Israel. "They were taking from us the technology to make reconnaiseance cameras," Mr Larson said.

"This is not a simple case of industrial esponage," he said. "We found... that the govern-ment of Israel was colluding transfer secrets from this country to Israel."

Recon is the world's leading manufacturer of aerial reconthe two armies on the Zimbabwe model Dr Ungo and Mr Zamora insisted in an interview last month that they are not seeking power sharing but sales programme to develop a multitary an "historic compromise." jets flying above their own ter-ritory to take detailed photo-graphs of neighbouring coun-

An Israeli statement "We flatly deny all of the base-less accusations regarding the behaviour of Israeli officials in

GM to set

up joint

venture

in Japan

By Paul Taylor in New York

GENERAL MOTORS, the largest of the US car makers, seld its

Dayton, Obio-based inland divi-sion has agreed to set up a Japanese joint venture company with NHK Spring of Yokohama,

Japan to manufacture car sus-pension springs made of fibre-glass reinforced plastic.

The joint venture company, called NHK Inland, will begin operations at the start of October at a production facility near Yokohama, the site of an existing NHK plant.

Output from the plant will be sold to vehicle manufacturers in Japan and other Asian and

in Japan and other Asian and Pacific countries. Terms of the joint venture agreement were not disclosed.

# Argentine currency continues to decline

THE Argentinian currency, the duced the value of the Austral devaluation as possible Austral, continued its decline by almost 5 per cent in seven against the dollar this week in days. Since the beginning of the Buenos Aires money market. August, it has failen 6.2 per the fall is a response to continue cent. It is now valued at 0.975 to the US dollar. The Government's proposition of the Covernment's proposition of the Covernment's proposition of the Covernment's proposition of the Covernment's proposition of the Austral devaluation as possible measures to counteract the plight of businessmen, savers and speculators alike, into foreign currency, and seem to the US dollar. of the Government's economic programme and its ability to rein in an inflation rate which is expected to reach 10 per cent monthly during August, writes might, a 27 per cent fall since

sre to die down and to allow last week's interest rate increase to take effect.

Economic analysts in the pri-vate sector, however, say that over a week. But it is worried Tim Coone in Buenos Aires.

August 1.

An official mini devaluation

Economic Ministry officials be increased substantially, to a and of giving the impression of announced on Monday, the haver uled out any further rise level higher than the anticibeling unable to handle the second within a week, has re- in interest rates, or a sharp pated level of inflation for situation.

possible August if th slide of the Austral is to be effectively stupped. The Economy Ministry appears uncertain what to do.

fearing that brusque changes in course, will create a crisis of confidence in the Government's economic strategy and exacer-

# WORLD TRADE NEWS

# Beretta criticises moves to reopen US pistol contract

BY DAVID LANE IN ROME

THE CHAIRMAN of Beretta, THE CHAIRMAN OF Beretta, the Italian firearms manufacturer, yesterday criticised a move in the US congress to suspend a \$75m (£50m) contract under which Beretta would supply pistols to the US Army

Army.

The contract was signed in January, 1985, and calls for shipment of 316,000 pistols by the Italian comapny to the US Army. The contract was won in the face of tough and often emotive competition from Smith and Wesson of the US and several non-US companies.

"The contract is a straightforward commercial agreement, won fairly by the best product." Mr Pier Giuseppe Beretta, said.
"Suspension would be justified only by purely political reasons."

Mr Beretta was careful not to give an opinion on the final outcome on this latest duel with Smith and Wesson, which has lobbied hard to persuade the congressional sub-committee to tongressional sub-committee to vote in favour of suspending the contract, but he drew hope from the strong support for the Italian weapon from the US

military.

He emphasised that the technical qualities of Beretta's nine calibre parabellum pistol have in no way been questioned.
In spite of the technical
merits of the Beretta weapon, a section of US public and politi-cal opinion has remained firmly set against the idea that a foreign firearm should be slung on the hips of American ser-

A House of Representatives panel last week voted to stop payment on the US Army contract for the Italian handguns unless Smith & Wesson gets another chance to compete. another chance to compete.

The vote in the House Appropriation Committee was 24-to-12. It will be effective only if the entire House and the Senate agree.

factory.

The Defence minister, Mr Giovanni Spadolini, is reported to have said he will do all possible to ensure the contract's continuation.

The Defense Department opposes reopening the competi-tion to replace the Colt 45 as

The Pentagon awarded a five year contract for 302,030 hand-guns to Beretta last year after Smith & Wesson, the only US manufacturer to seek the contract, lost a challenge in a federal court.

the standard US military side-

The contract specifies that the first 50,000 pistols will be made at Beretta's Italian factory at Gardone Valtrompia, near Brescia. The Italian factory will also produce the parts for the next 50,000 pistols, but these will then be assembled by Beretta's US subsidiary in

The US factory will be wholly responsible for the remaining 216,000 pistols.

Although the contract was signed more than 18 months ago, deliveries have been under way for only three months. Extensive quality checks during manufacturing have been required by the army.

The chairman noted that penalty clauses would provide compensation if the US Congress were to accept the recom-mendation of the sub-committee to suspend the contract. In any case deliveries will continue until September 1987, by which time Beretta will already have completed the manufacture of the wholly-Italian batch of pistols, and have supplied the Italian parts for assembly in Maryland.

Maryland.

A Congressional decision to review the contract would jeopardise Beretta's plans for investing \$15m in the US, to triple capacity at the Maryland

# US to delay **EEC** steel accord

THE US Administration does not plan to implement a new agreement with the European Community on increased EEC imports of semi-finished steel until the early autumn, AP reports from Brussels.

The US was originally expected to sign the agreement before the end of August, an official with the US mission to the EEC, said yesterday.

The delay in ratifying the agreement, which will raise the EEC's quota for semi-finished steel exports to the US, arose because the Administration linked the endorsement with EEC's formal approval of a bitateral trade past on cityes fruit and basts pact on citrus fruit and pasta

The 12-nation trade bloc is not expected to approve the citrus fruit pact until September at the earliest, EEC officials said.

The citrus trade row arose when the US claimed its citrus fruit exports to Europe were faltering because of EEC preferential trade agreements with citras-producing Mediterranean countries. The EECUS agreement stipulates that the US will no longer object to the EECs Mediterranean trade policy, which it had threatened to challenge under international tradius rules

trading rules. The steel agreement would allow European producers to export 300,000 short tons of semi-finished steel to the US this year, exceeding an original US import quota by 290,000 tons.

In return, the EEC has promised to eliminate quotas on US produced fertiliser, animal fat and speciality paper that it imposed in January, immediately after the US limits on semi-finished steel.

# Tim Dickson reports on a campaign by European traders Spain's shipping policy under fire

tionist measures by the Spanish Government which they say are seriously hampering international trade.

Both Coceral, the Brussels-based cereals trade lobby, and the London-based Grain and Feed Trade Association (Gafta) have appealed to the European Commission in an effort to outlaw the so-called Spanish "flag cause," under which cereals, sugar, coffee and other key products must be imported into Spain by Spanish ships.

A Gafta official said yesterday that freight rates on Spanish proposals — two relating to the guestion of Community at the beginning of this year, Spain went some way to liberalise its cargo reservation legislation, reducing from about 100 to around 30 the number of products which must still be imported in Spanish which contains four transport ministers have now spent 18 months are prepared to contemplate the discussions in Brussels that they have now spent 18 months are prepared to contemplate the discussions in Brussels that they have now spent 18 months are prepared to contemplate the discussions in Brussels that they have now spent 18 months are prepared to contemplate the discussions in Brussels that they have now spent 18 months are prepared to contemplate the discussions in Brussels that they have now spent 18 months are prepared to contemplate the discussions in Brussels that they have now spent 18 months are prepared to contemplate the discussions in Brussels that they have now spent 18 months are prepared to contemplate the discussions in Brussels that they have now spent 18 months are prepared to contemplate the discussions in Brussels that they have now spent 18 months are prepared to contemplate the discussions in Brussels that they have now spent 18 months are prepared to contemplate the discussions in Brussels that they have now spent 18 months are prepared to contemplate the discussions in Brussels that they have now spent 18 months are prepared to contemplate the discussions are prepared to contemplate the discussions are prepared to contemplate the discussions are prepared to that freight rates on Spanish routes are now double what they would be if other nations' vessels were allowed to compete, adding the claim that pete, adding the claim that Spain's merchant fleet is not big enough to handle the current level of trade.

Requests to use other "flags," she said, were running into time delays and other obstructions.

obstructions. obstructions.

Coceral is equally concerned about what it believes is "an obstacle to intra-Community traffic" as well as capacity shortages and points out that "the result of all this is to inflate the cost of goods to the The Issue is urgent for the grain trade given that the drought in southern Europe has

EUROPEAN FOOD traders and shippers are campaigning to remove long-standing protectionist measures by the Spanish Government which they say are seriously hampering inter-

that market. Not surprisingly, of convenience " such as those registered in Panama and Liberia which the Spanish claim than a consensus on harmonising domestic policies.

There are essentially two separate obstacles to freedom of maritime services — national cargo reservations where Spain is the main "offender" (though its the cargo reservations on imported oil and coal) and the much more wide.

Cabotage is the reservation to a country's carriers of the right to carry that country's internal it raffic, a restriction not applied in British coastal waters since significantly increased Spanish in British coastal waters since addition, they have to pay ton-remaidemand for imported wheat the 19th century, but standard name taxes and employ largely pute.

Community transport ministers have now spent 18 months are prepared to contemplate the discussing the Commission's package which contains four proposals — two relating to the Community's ability to counter unfair competition by third countries, the other two concerning the Community's internal market. Not surprisingly, a common position on external registered in Penama and threats is proving easier to find their which the Spanish claim can operate at an unfair com-

While the question of cargo reservations is bogged down by conflict between two Mediter-ranean countries, the issue of cabotage is complicated by a more classic EEC north/south divide and could be even more difficult to resolve.

Those countries already liberal, such as the UK and the Netherlands, want to see other markets opened up. But those which exclude other flags see coastal trade as a highly sensi-tive matter. Greece is insistent that for strategic reasons trade around the Greek islands remains tightly controlled. Italy meanwhile, advances historical and economic arguments. At June's meeting of Transport Ministers, broad agreement on the other three issues of the Commission's package — unfair pricing practices in maritime transport, action to safeguard

access to cargoes, and applica-tion of the Community's competition rules -- was apparently close to being reached.

But the proposals on freedom
to provide services — a basic
right under the Treaty of Rome which has yet to be implemented in the maritime field — remained a major area for dis-

# Currency risk charge Barclays Bank has modified its scheme for covering exporters' exchange rate risks when they tender for contracts in foreign currencies, our Trade Editor writes.

currencies, our Trade Editor writes.

The bank said customers would be asked for 10 per cent of the fee for arranging such cover in advance, and the balance only if the tender led to a firm contract. The scheme is for contracts of at least £50,000 in eight major currencies, including the European Currency Unit (Ecu).

Japan steel order

Japan steel order
Four Japanese steelmakers are expected to win an order for 120,000 tonnes of pipe for a natural gas pipeline from the Soviet Union to Turkey, Reuter reports from Tokyo.

Nippon Steel, Nippon Kokan, Sumitomo Metal Industries and Kawasaki Steel are expected to sign contracts with Spie-Capag, the French company contracted to build the line, by the end of this month. The pipes will be used for the section running from the Bulgarian border to Ankara,

# Portuguese tourism lures foreign investors

FOREIGN INVESTMENT in industry has not flooded into Propertical but tourism continues to prove a magnet for overseas companies as well as several mililon sunseekers from northern climes.

A million British visitors are expected this year—compared with 890,000 last year—plus hefty contingents of Germans, Dutch and Scandinavians.

In 1985 for the first time the number of tourists exceeded

The country's population of 10m. Shell Oil, which has diversing each bank, holds the other guese bank, holds the other guese bank, holds the other guese bank, holds the other third. The company has now bought from Quinta do Lago owners a nine-hole course plus enough land to build another nine holes.

Shell Portuguese operations, deep bank, holds the other guese bank, holds the other third. The company has now bought from Quinta do Lago owners a nine-hole course plus enough land to build another nine holes.

Shell Portuguese operations.

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Shell Portuguese operations.

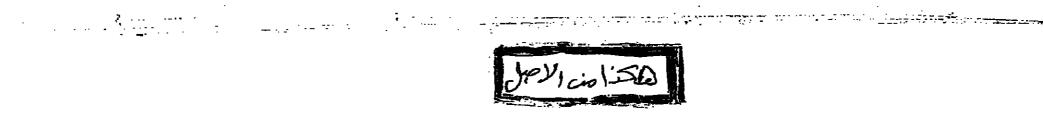
Shell Oil, which has diversing guese bank, holds the other third. The company has now owners a nine-hole course plus enough land to build another nine holes.

Shell Portuguese operations, developer, has just opened a enough land to build another nine holes.

Shell Portuguesa itself has developer, has just opened a enough land to build another nine holes.

Shell Portuguesa itself has developer, has just opened a enough land to build another nine holes.

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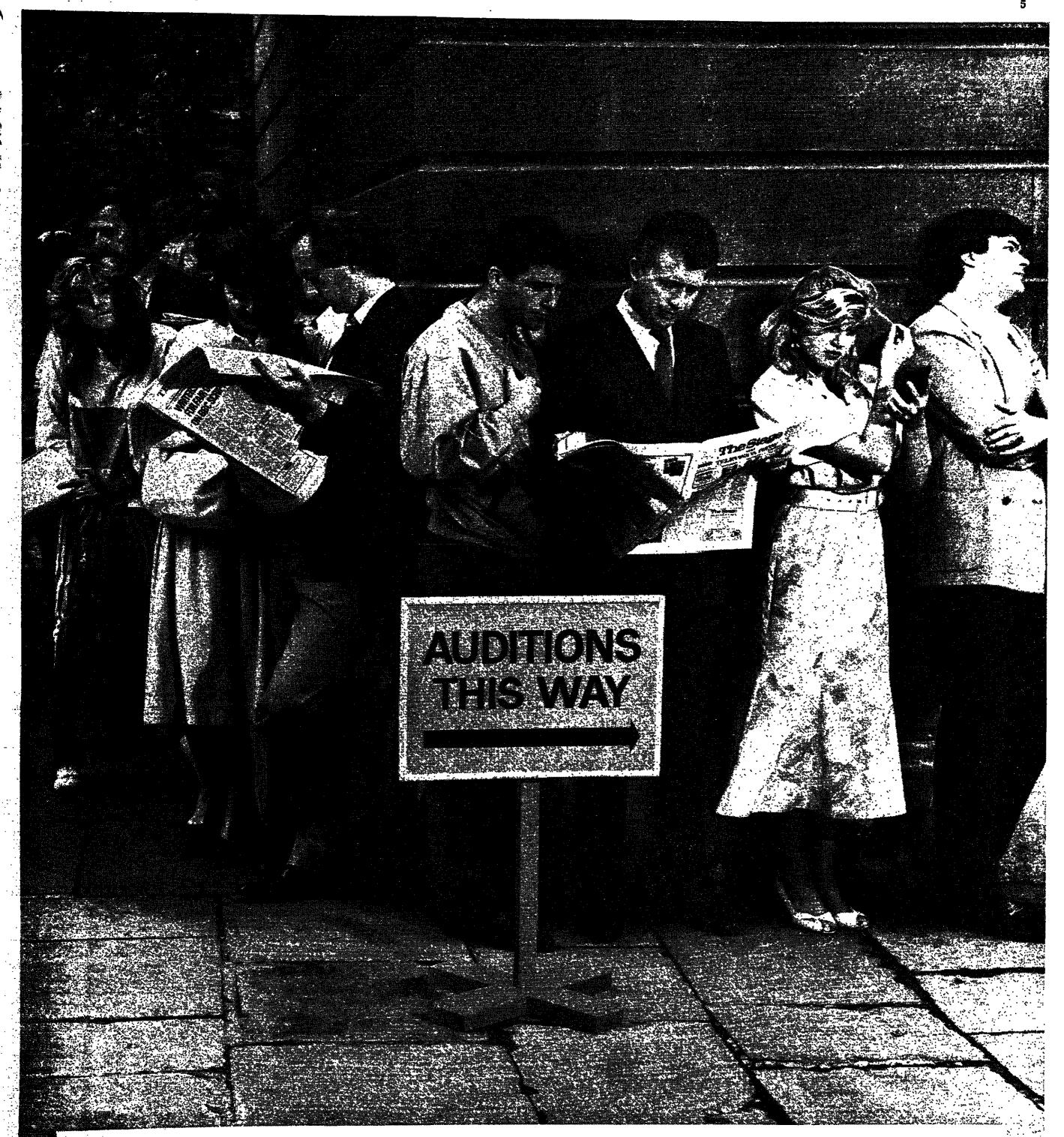
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# Small business output falls in first quarter

BY WILLIAM DAWKINS

THE SMALL business sector's out- cent in the last survey to 31 per put declined for the first time in cent. nearly two years in the first quarter of 1986, according to a survey pub- al variations could partly explain lished today

A poll of just over 1.000 enterprises by the Small Business Retween expectations of increased search Trust, a privately funded resales and the actual increased size search body, shows that the sector of the workforce." has not escaped the gloom voiced

sales (the proportion of those re- began. porting an improvement minus those showing a decline) has dropped sharply from 41 per cent according to the trust's findings. Of last year to 34 per cent in the first the 73,000 concerns registered for three months of 1986. Until then, value-added tax and which do busismall business output had shown a press overseas, nearly 50,000 have gradual upward trend from the time the trust launched its first surly a quarter of a separate sample of vey in late 1984.

The survey shows little improvement in small business job creation prospects, underlining the CBI's contention last month that fewer jobs are being created by the sector. The balances of just under 12 per cent for those taking on new staff and nearly 6 per cent for those expecting to take on new people in the future have stayed roughly the

same for the past 12 months. This is bad news for the Government, which has pinned high hopes on the sector to reduce unemployment. But despite their listless sales and job creation performance, small businesses in the survey are confident about the outlook. The balance of those expecting increased sales in the next quarter

However, the trust adds: "Season this rise and in any case, there seems to be little direct link be-

The survey indentifies financ by larger manufacturers in the and interest rates as being the most quarterly survey published last serious problems faced by respond-month by the Confederation of Brit-ish Industry (CBI). serious problems faced by respond-ents. They were listed by 30 per cent of the businesses that took ish Industry (CBI).

The balance of respondents to the part as being their biggest burden, trust's survey reporting increased the highest level since the survey

> A surprisingly large percentage of exporters are small businesses according to the trust's findings. Of ly a quarter of a separate sample of 1,000 enterprises were exporters and a majority of those said their

overseas sales were growing. was questioned about the Business Expansion Scheme (BES), which offers tax incentives for individual intment in unquoted companies. A fifth of them had never heard of the BES, while another 11 per cent were making use of it to raise capi-

tal or thinking of doing so.

Nearly a quarter of the small n questioned said they personally invested in other companies, though not all of them went through the BES.

Quarterly Survey of Small Busi-nesses in Britain, £10, or £30 for an annual subscription, from Small Business Research Trust, 3 Dean

creased sales in the next quarter has jumped from just under 10 per has jumped from just under 10 per SWI 3HB.

# More response urged to monopoly reports

BY MICHAEL CASSELL, POLITICAL CORRESPONDENT

NATIONALISED industries should part of the commission to clarify its strengthen procedures for following findings. up recommendations made by the Monopolies and Mergers Commission, according to a report yester-recommendations because of the day from Sir Gordon Downey, the length and format of reports and

sponsoring government depart tions had been imprecise. responding to Monopolies Commistaken steps to consider meeting the ommendations on their efficiency.

The findings, published by the National Audit Office (NAO) echo ministerial concern that follow-up procedures should be strengthened if Monopolies Commission investigations are to continue to be seen as an effective form of public ac-

countability.
In 1985, the Government said that Monopolies Commission reports should be more sharply focused and that House of Commons select committees should be encouraged to take a more active interest in the results of investigations.

It also called for a more systemat-

ic appraisal of industry's response to the commission's recommendations. Last October, it sought the views of the Nationalised Industries' Chairmen's Group on follow-

The NAO report points out that nationalised industries sometimes find it difficult to respond to recommendations on improving efficiency because of some reluctance on the

Sponsoring departments also en-Comptroller and Auditor General.

The report says that the nationathe adequacy of the changes made lised industries, together with their by industries where recommenda-

sion investigations which make recbeen prepared to estimate potential cost savings associated with its rec-

It emphasises that sponsoring departments have a responsibility to try to ensure that their industries produce positive responses. I found, however, that the intensity of any follow-up procedures varied between departments. The report says that the Govern-

ment's target programme of up to six references a year has not been achieved, partly because the Department of Trade and Industry has made fewer references and partly because some of the investigations had not been completed within the

This was mainly "because the references had been so broad and investigations had covered so much ground." The NAO says that tighter terms of reference should cut the investigative period.

Efficiency of Nationalised Indus-tries; report by the Comptroller and Auditor General . HMSO £4.10.

# Sounds of revelry to herald the Big Bang

BY FIONA THOMSON

AMONG the first to profit from the City of London's Big Bang will be a steel band from the Windward Islands, three Chinese pipers, the men's outlitters and resshire stores Moss Bros and, above all, charity.

The October Revolution will be preceded by Big Bang events putting pleasure before business. The Caribbean Boys Steel Band and the Guo Brothers with their hypnotic pipes have been hired for the Big Bang City Ball which takes place in a series of marquees in the grounds of the Honourable Artillery Company.

At the other end of town, all six floors of the Cafe Royal in London's Regent Street will be turned over to the rival Big Bang

Although Mr Hilary Clive O'Brien West, articled to chartered accountants Baker Rooke and organiser of the Big Bang City Ball, is far too modest to claim his as the official affair, the ball committee of 142 senior professional people, which includes 55 Masters of Livery Companies, reads like a Who's Who of

the City. Tickets, 5100 a person, will entitle guests to unlimited champagne and fine wines, dinner (smoked salmon roulades.

Scotch beef and glazed carrot batons), and a breakfast of Bucks

batons), and a breakfast of Backs
Fizz and brioches.
In addition to the Peking pipers, guests will be chivvied to trip
the light fantastic by Lord Colwyn's swing band (the leader is
that rare combination: both a
peer of the realm and a dentist),
the Dixie Land All Stars Jazz
Rand, the Tallis Chamber Or-Band, the Tallis Chamber Orchestra, a string quartet, and the band of Her Majesty's Royal Ma-

The ball will be held on September 26. It was felt people would be too busy at work any nearer to the Big Bang day itself, October 27.

At the Cale Royal, Mr Oliver Baxter, a professional ball orga-niser, is aiming to attract 3000 "glamorous young people - 20 to 35 - who are not thinking of the value of stocks and shares," to his Big Bang Ball on October 4. Tickets will cost £25 a person for unlimited wine, a live band, three discos, a Victorian music hall and a cabaret. Money from the programmes, raffle and a fun casino will go to the British Wildlife Appeal and Cot Death

"We want a lot of young people having a hell of a good time," said Mr Bexter. "This won't be a senior partners' do."

# Nissan's **British Bluebirds** get in tune for take-off

WITH just over two weeks to go to its official opening on September 8. Nissan's gleaming new £52m plant in Washington, north-east England, gearing up to show the visiting

VIPs its paces.

Output by the 380 employees and 24 robots has been put up to 20 Bluebird saloons a day, with 11 colours to choose from. Numbers employed are due to rise to 450 - and roduction to 100 cars a day - by the end of this year.

Cars are being stockpiled at pres-ent. "Made in Britain" Bluebirds will arrive in the showrooms when stocks and output reach a level as yet undisclosed. Will they be better than their Japanese counterparts or merely as good as them? Management and workforce seem determined to set a new pace in produc-

tivity and quality.

As Mr Clive Griffiths, body shop manager, puts it "We have got to beat the Japanese. Many of us have been to Japan and seen how things work there. We are deliberately looking for quicker and easier ways of doing the job that can be taken

back to Japan."

Mr Griffiths has a deep understanding of what Nissan is achieving at Washington because he used to work for Austin Rover. He says that attitudes are different but is cagev about giving exact figures. In Nissan's body shop there are 72 workers and four supervisors. Since they all work flexibly, this re-

supporting staff, and there are just four technicians. "Just let's say that many more eople would be needed in supporting roles at Austin Rover because of

duces the need for large numbers of

lower flexibility," he says. Recruitment to the workforce has been strictly controlled. Applicants have to pass tests of numerical, mechanical and verbal reasoning before being allowed to sit a written exam. If they get so far, they then have to pass a medical.

Aptitude assessed, they then face

an interview with the person who will be their supervisor if they are taken on. There is no question of the personnel department sending someone along to the foreman with instructions that he is to start on the following Monday.

Mr Griffiths says: The man who does the interviewing is recruiting his own team. He tells the people he sees that they will not just be working for Nissan UK but for him. He er, which in the body shop is me. I then decide if they are right for my

The approach has built considerable team loyalty, with everyone willing to work for each other and compete with similar teams in Nissan plants around the world.

The new plant has been entrusted with proving one new production device, a multi-axis sling that enables a car body to be tilted to any angle and height to improve accessibility during assembly. The workers aim to set a standard that anyone following will find hard to beat.

So far Nissan has lost only two recruits, a manager and a technician, both tempted away by better offers. None of the shopfloor em-ployees has left or had to be fired. A look between bewilderment and shock comes over directors' faces when the question is even asked. The other striking thing about

the workforce is its age profile. At 37. Mr Griffiths is one of the older generation because the average age is only 29. When employees asked if their children could come to the official opening, one of the directors, Mr Ian Gibson, a veteran of labour relations warfare at Ford's Hale-wood plant, said there would be no em if they were older than 10. In the embarrassed silence that followed, he realised that at 44 he was one of the few people at Nissan UK whose children would qualify. Who is to open the new plant is sales up to E being kept a close secret by Nissan. 10 years ago.

about FFr 20m (£2m). Mr Jacques

Margry, chief executive of Parker,

yesterday described the purchase

fice "and we thought we had better

take it rather than let a competitor

Parker, a privately owned group

which moved its base from the US

to Britain after the recent \$100m

management buy-out that split it

away from its former subsidiary,

make any further moves against

Mrs Francine Gomez, chairman

of the French company, and her

mother hold about 53 per cent of the

equity between them. A takeover

Waterman in the near future.

get hold of it," he said.

in the first half of the year.

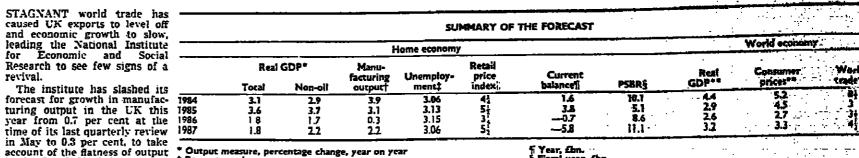
different.

Output is expected to pick up

in the second half, however, as

# NATIONAL INSTITUTE FOR ECONOMIC AND SOCIAL RESEARCH QUARTERLY REVIEW Forecast for manufacturing cut sharply

BY GEORGE GRAHAM



Output measure, percentage change, year on year

† Percentage change, year on year.

‡ UK, wholly unemployed (exclding school leavers), fourth quarter million.

Percentage change, fourth quarter on fourth quarter.

Ti Year, Ebn.

§ Fiscal year, Ebn.

So OECD countries, percentage change, year on year.

Ti Yolume of total world trade, percentage change, year by year.

exports recover and the demand for consumer goods, particularly Consumer spending is exdurables, strengthens. In 1987 manufacturing output is expected to grow by about pected to remain buoyant as a result of the substantial in-22 per cent.

For the whole economy, the institute sees growth of about 1.8 per cent this year and again disposable incomes have risen

next year, but the effects of the only slightly faster over the collapse in oil prices mean that past year than in the preceding the pattern of growth for the period as faster increases in bulk of the economy excluding average wages and salaries— the North Sea, will be rather largely caused by the ending of Gross domestic product in the the most part offset by a faster non-oil economy will grow by rise in income tax and national only 1.7 per cent in 1986, the insurance deductions.

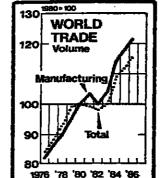
only 1.7 per cent in 1986, the insurance deductions. institute says, compared with the 3.7 per cent growth recorded last year. In 1987, however, the institute expects growth to be 2.2 per cent.

The forecasts assume an oil price of \$12 a barrel from the fourth quarter of 1986 onwards, and at this level investment in rise in consumer spending and at this level investment in rise in consumer spending exploration and development is quickened at the time the rise expected to be cut sharply.

The effect on oil production slowed.

is less certain, but the institute points out that North Sea output had already been expected to peak this year. A fall in outside the property of the second which shows an increase of less than 1 per cent in the second than 1 per cent in the sec put of about 5 per cent is as-sumed from this year to next, which snows an increase of less put of about 5 per cent is as-sumed from this year to next, which would cut some 0.4 per-centage noints from the same of 1986, probably under-

It points out that the initial estimate of consumer expendi-There might also be a small ture in the first quarter showed reduction in domestic output of a small decline, but the revised other forms of energy if, for estimate showed a rise of a example, the fall in oil prices per cent.

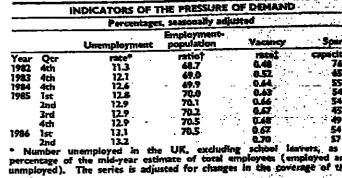


in 1987. Oil and gas investment is projected to plunge by 12.3 per cent this year and by 36 per cent in 1987.

Investment in private housng, which declined last year. is likely to pick up by 3.1 per cent this year and 6.2 per cent in 1987, however, leaving total investment to grow by 1.8 per cent in 1986 and 1.1 per cent in the following year.

The pressure of demand on the UK's available supply was probably rising gradually from the end of 1982 to the begin-ning of 1985, the institute says, but this year the pressure seems to have stopped rising and may

were to encourage the consumption of imported oil in place of facturing industry is expected domestic coal, but the institute to grow more slowly after the feels the effect of this substitution is likely to be small over recent years, rising by 3 per cent of the possible indicators of how strong real demand is in relation to the total potential the short term.



age.

Number of vacancies, excluding those for the Comm recorded at job centres, as a percentage of total employees.

Percentage of firms in manufacturing reporting that they

this period. Only the unemployment rate fails to reflect a rise in demand from 1982 to early 1985, and the institute says there is reason to distrust these figures, which cover only benefit claimants.

A better indicator of the pressure of demand for labour, it says, is the proportion of the population of working age that is employed or self-employed. This rose from 68.7 per cent at the end of 1982 to 70.5 per cent at the end of 1985 before flattening off. The vacancy rate also rose before levelling off.

Pressure on manufacturing capacity rose from the end of 1982, with the proportion of manufacturers reporting spare capacity to the Confederation of British Industry declining from 76 per cent in the fourth quarter of 1882 to 45 per cent in the third quarter of last year. It then statted to rise again, reach-ing 57 per ceat in the second quarter of 1986. plic:1

National Institute Economic Review, £45 a year (UK) or £60 (overseas), NIESR, 2 Dean Trench Street, Smith Square, London SWIP 3HE.

# Coffee sales at

centage points from the overall growth of GDP.

BRITONS ARE drinking record

manufacturer, said yesterday that coffee consumption was 1 per cent up on last year, when retail coffee comes despite the price rise inproducing country.

row between consumption of coffee and that of its great rival, tea. In the 1960s the British drank six cups of tea to every one of coffee, but the gap has now narrowed to two-to-one and is still closing. What is more, the average age of coffee drinkers is younger than that of tea drinkers.

of the 1960s," said Mr Alan Albury, a Nestlė spokesman. One reason for the change is the heavy promotion - both on a generic level and for specific brands – which is devoted to coffee as compared with that for

change in the market underlined by Nestle yesterday is the shift to-wards decaffeinated coffee. This terms of the total market, with sales up to £38m a year from £2m

Parker Pen buys 12%

BY DAVID MARSH IN PARIS AND CHRISTOPHER PARKES IN LONDON

PARKER PEN, the world's leading The company holds a further 3

quality pen manufacturer, has per cent and one of its distributors bought a 12 per cent stake in Water-man, its main French rival, for ly 38 per cent - including Parker's

The holding was offered in a posals because the two companies

Manpower Inc. seems unlikely to ing the stake in Waterman. It was

was therefore "not feasible" she was a serious contender "if, later said yesterday.

was a serious contender "if, later on, Waterman wants to sell."

block by the Kuwait Investment Of- were competitors.

stake - freely available.

Mrs Gomez claimed that Parker

had suggested some form of asso-ciation but she had rejected the pro-

In any case, Parker is still con-

centrating on consolidation of its

existing business and rebuilding

profits after several erratic years

Mrs Gomez said she was sur-

prised that Parker had chosen to in-

crease its indebtedness by acquir-

"completely idiotic" to think the

holding would help the UK compa-

ny to reinforce its position in the French market.

Mr Margry said, however, the

purchase had shown that Parker

under its former US owners.

stake in Waterman

# record despite price increase

amounts of coffee - a total of nearly 100m cups of coffee a day - despite a 15 per cent increase in retail

sales reached a record £600m. This duced by the dramatic increase in world market prices after last year's drought in Brazil, the biggest The gap is also continuing to nar-

"Coffee has been catching up with tea since the coffee bar boom

# By Andrew Gowers

Nestlé, Britain's biggest coffee

"Tea isn't exactly doing a lot to help itself," said a gloomy tea bro-ker recently. Another important now accounts for 7 per cent in value

YOU MAY not know what "Dis- Distress for rent is an archaic of machinery and equipment, discoverable, according to cerself-help remedy open to a land-1267 and the last from 1908, lord for collection of overdue modified by numerous other rent. Without applying to a statutes and judicial decisions court, he may arrive at daybreak (or at any time in the ordinary complexity and uncer-

becoming due. He must not enter by force but he can use a second key if he has one, or enter through the skylight or a window not en-tirely shut. Once in, he can break down internal doors and partitions between rooms.

He can identify goods which he distrains by touching them and either take them away or leave them on the spot, either under his guard or against the tenant's undertaking not to re-move or dispose of them—this is known as "walking posses-

If he uses bailiffs-not court bailiffs but the self-employed type—these have to deliver a notice setting out the amounts of rent for which distress is levied. There seems to be no procedure for deducting counterclaims which the tenant may have, for example for repairs, though judges have on occasion expressed disbelief that this could be the law.

If the tenant removes his goods from the premises after the rent is due to avoid distress, the landlord can follow them within 30 days of their removal, and all that without involving

the courts.

The landlord may take goods found on the premises even if he knows that these belong to a third party. There are exceptions to this which, however, do not benefit the tenant's amountf and some local authorities would be sorry to spouse or business partners, authorities would be sorry to Certain goods may not be lose this simple means of rent taken; for example, tools and enforcement, since it requires implements of a man's trade, little paperwork and can be wild animals, perishables and things in actual use, though the horse or motorcar can be taken when the tenant dismounts, and his clothes when he takes them off. Money, however, can-not be taken unless it is in a closed purse or bag. There is also a certain duty of care imposed on the landlord. must separate the sheep from the cows which he distrained, though there is no obligation to separate the sheep from the

husinesses.

**BUSINESS LAW** 

By A. H. HERMANN, Legal Correspondent

cause for distress

has no place in modern society and should, therefore, be abolished." In 1968 Lord Denning said: abolish "It is very rarely that we have gether.

a case about distress for rent. It is an archaic remedy which has largely fallen into disuse. Very Commission favours, because few landlords have resort to it." there are plenty of other means More recently, however, distress available to landlords for colhas come back into fashion lecting overdue rents and

tress for Rent" means. May you remedy resting principally on 11 and drive him into insolvency. tain tests.

never learn! It is an archaic statutes, the first dating from It runs contrary to the spirit. The Act also self-help remedy open to a land- 1267 and the last from 1908, of modern insolvency law, over-riding time limit which aims at rescuing viable

break (or at any time in the ordinary complexity and uncerhours of daylight) to seize any tainty. The Law Commission's are too many to recite in this will improve matters for house column. They fill 146 pages owners and investors. However, of the Law Commission's working paper on this subject, and take them away to sell or keep them until the rent is of "don't knows." The Law Commission's working paper to this subject, and take them away to sell or keep them until the rent is of "don't knows." The Law Commission's working paper to this sees four ways to achieve reform the sees four ways to achieve reform the law in a single modern statute; to reform only certain areas of the law to the breach of duty could have breached the commission specifies. of the Law Commission's working paper. The Commission Royal Institute of British sees four ways to achieve reform: to restate the law in a single modern statute; to reform starts to run is very uncertain only certain areas of the law —the breach of duty could have which the Commission specifies; taken place any time between single modern statute; to reform only certain areas of the law which the Commission specifies; a fundamental reform leading to a modern statute code; or to abolish distress for rent alto-

It is the last possibility—complete abolition—which the

The landlord may not enter by force, but he can take a tenant's horse when he dismounts

The landlord may not enter by force, but he can cealment' and it will take no end of court decisions to learn what that is in the context of a building operation, where the divide between repair and

time.

though private landlords of residential property make little actual use of it—they probably find the threat is enough. It is now used mainly against council

and business tenants.

A report† published in 1984
indicates that in the course of times. There were attempts to introduce into the Housing Act fully resisted by the Govern-

carried out by instructing one of 800 certificated bailiffs. Some of these actively and regularly advertise, offering their services to the landlords of commercial and industrial premises. The Law Commission finds that the remedy is regularly used against business tenants and has re-ceived complaints of irregulari-Reform Committee recommen-

because this solution would demand least of the legislators'

This is the second time that the Commission has considered distress for rent. It published an interim report on this subindicates that in the course of ject 20 years ago. At that time, one year, a London borough debt enforcement machinery used the remedy 600 times and another 451 times while a metropolitan district used it 1,500 posed in 1969 a uniform system times. There were attempts to that would have involved the introduce into the Housing Act abolition of distress. Neither 1980 the requirement that local this new system nor the authorities should obtain a moderate reform proposals of court order before levying distress, but this was success-report have been implemented. The Law Commission has

now revived the conclusion of the Payne Committee and asks for opinions with the following warning: "It is just as impor-tant for a reform proposal to meet social criticisms of the remedy, and to remove defects seen to cause injustices, as it is to modernise the remedy in purely legal terms.

When writing last week about the flooded church hall, I men-tioned legislation in progress. The Latent Damage Act received the Royal Assent on July 18 and comes into force on September 19. It is based on the Law revived complaints of irregularies in such cases.

Distress for rent can deprive businessman who deducts a counterclaim from the rent or when it becomes

ber 19. It is based on the Law recommendations and introduces an additional three-year limit for neglibusinessman who deducts a counterclaim from the rent or date when the damage is discovered or when it becomes counterclaim from the rent or date when the damage is dis-who is in temporary difficulties, covered or when it becomes

long stop — running 15 years from the date of the defendant's The contradictions, uncertainties and absurdities of the law from discovery of the damage

taken place any time between the initial advice until the building was handed over. Also the long stop does not really end after 15 years because one must take into account that another seven years may elapse before one of the parties is ordered to contribute to damages awarded against another. The long stop does not apply in the case of "deliberate con-

concealment is often uncertain. RIBA points out that building is a special case and requires special legislation. If there are special legislation. If there are defects, the main thing is to repair them quickly which needs money. Litigation is a slow and ineffective method of obtaining funds—and successful claimants may find that up to 60 per cent of the money is consumed by legal costs. consumed by legal costs.

RIBA regrets that the Lord RIBA regrets that the Lord Chancellor did not accept its objections and amendments. The institute thinks that a solu-tion is possible only on the basis of project insurance, collectively arranged by all parties involved -investors, builders and architects. But this requires a clearly defined long stop to liability. RIBA proposes 12 years from the completion of the building.
The institute's proposals may or may not be the solution to the problem, but neither is the new Act.

It is bad enough if the legislators do nothing about repeated reports that the law is confused and out of tune with the times.

as in the case of distress for rent. It is even worse if the long delay produces a statute which solves nothing or only very little. This, one can say, is a cause for distress.

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**SERVICE** 

**FRANCE** 

**Wires** 

# Grumman urges cheaper radar warning system

BY DAVID BUCHAN.

GRUMMAN of the US has effectively decided not to compete with American rivals in offering Britain a costly complete airborne early warning (AEW) system.

Instead, it is focusing its efforts on a cheaper bid that would mesh its radar into the airframes of the UK's existing Nimrod aircraft. Grumman, which called a London

press conference to allay technical doubts about its AEW radar, said the "best combination of cost and operational effectiveness" was for Britain to take the radar from the Grumman E-2C Hawkeye aircraft and put it into Nimrod airframes the so-called HawkRod solution.

This would cost the British taxpayer £500m, Grumman disclosed. But half the value of the work would be carried out by Britain Aerospace (BAe). The New York-based aerospace company had other sub-stantial offset work to offer British industry, including the possibility of a big order for acoustic processors from Marconi, a GEC subsid-

Another GEC company, GEC Avionics, is trying to fight off US and domestic competition and retain the contract to complete a purely British Nimrod-based AEW system. As the Government's early autunn decision date on the AEW

week Boeing announced that the British defence contractors Plessey, Ferranti and Racal had aligned hemselves behind its offer of E-3

Grumman said its second offer of complete Hawkeye aircraft still stood. But it admitted that these aircraft, developed to fly from US Navy carriers, could only meet the RAF's requirement for a system that could hover for five hours, up to 700 miles off-base, by in-flight refuelling.
The HawkRod solution would

save the UK having to buy new air-frames, putting it in the same rough cost bracket as the GEC programme. The weakness in the Grumman bid is that it has so far only offered offset work for British industry of up to 70 per cent of the HawkRod's cost, unlike the 100 per cent offset offered by Boeing for Awacs and Lockheed-California for its P-3 AEW system. Grumman said yesterday that it was "seriously considering" increasing the offset

All contenders for the future British AEW programme, even GEC which holds the present contract, see it as a stepping stone to a wider

Given the range limitations on its contract nears, lobbying by the US Hawkeyes, Grumman said yester-

contenders has intensified. This day it had proposed to BAe that, if they jointly win the British contract, BAe should consider either reopening the Nimrod production line or consider using the Airbus, partly built by BAe, as a platform ior Grumman radar.

A further complication for the UK Ministry of Defence in sifting the various bids has been objections by continental European countries that the ultra-high frequency (UHF) radar, offered by Grumman and Lockheed, would interfere with local broadcasting. The S-band radar used by Boeing and GEC already has a Europeanagreed frequency.
Last week a US Navy Hawkeye

was monitored by UK Defence Min-istry specialists in two days of flights off Britain's North Sea coast. Grumman said the test showed no major interference but the Ministry of Defence refused to comment on the results. Grumman admits similar tests

might have to be conducted for the

benefit of other littoral states - Norway, Denmark, West Germany, the Netherlands, Belgium and France. However, the US company stressed the operational merits of its UHF radar. It would be better than its S-band rival in crowded UK airspace and over the stormy North

POLICE WORK ON BOMB THEORY IN SHOP EXPLOSION

# Iran linked with London blast

BY RICHARD JOHNS

THE UK's already uncertain and digging to find the seat of the explo- nior clerics. somewhat fraught relations with Iran could be seriously strained by the investigations into an explosion which destroyed a shop in the west leading emigre critic of the Ayatol-

lah Khomeini's regime.
Police in London said that they ssumed the blast in High Street, Kensington, on Tuesday afternoon, which also injured 12 people, had been caused by a bomb and not a gas leak. Up until last night, howhad been found and police were still er of the Islamic Revolution and se-

BY PHILIP BASSETT, LABOUR EDITOR

resume talks with print unions over

its dispute with them on the group's

operations at Wapping, east Lon-don. They will be the first talks for

three months since former NI em-

ployees rejected the company's "fi-

transferred production of three na-

tional newspapers to Wapping early

Resumption of talks offers the

print plants in central London.

NEWS INTERNATIONAL (NI) is to side securing a resolution of the bit-resume talks with print unions over ter and protracted dispute over jobs

More than 4,000 print workers of print union leaders with Mr Nor-lost their jobs when the group man Willis, TUC general secretary,

best prospect since May of each the union's efforts to get discus-

zeli, 23, the son of Mr Reza Fazeli, a leading actor and writer who was end of London killing the son of a active in Iran during the the late Shah's rule, Mr Reza Fazeli owned the shop which specialises in Iranian video-tape productions including those produced by himself.

His films have been smuggled into Iran and extensively copied there, according to Iranian exiles. They are described as highly satiriever, no parts of an explosive device cal in lampooning the spiritual lead-

and recognition at the company's

new docklands printing plant.

Talks between the company and

the five print unions are likely to

take place tomorrow. The way was

cleared after a meeting yesterday

of the Trades Union Congress

The EETPU electricians' union

reported to that meeting the compa-ny's readiness to resume talks after

Both the Iranian Embassy in London and the Islamic Republic

newsagency were quick to attribute blame. They said that the incident resulted from a failed attempt by "counter-revolutionary Iranians" to blow up the nearby Iranian consulate in Kensington Court which backs on to Kensington High

Street.
Mr S. Kassai, head of information at the Iranian Embassy, said:
"We have received information that an unidentified group was intending to carry out a terrorist act on ending."

lis then informed the full monthly

meeting of the TUC general council

likely to be mainly exploratory, but

ately by substantive negotiations.

Mr Tony Dubbins, general secre-

Congress in Brighton in just over a week's time.

Mr Willis said after yesterday's

The first stages of the talks are

that talks were to be resumed.

sions restarted. The TUC then made contact with NI, and Mr Wil-

the Iranian Embassy. According to our report, the one who wanted to put the bomb in the consulate was himself a victim of his own terror. The embassy linked the incident

to the recent explosions in Iran. A man interviewed on breakfast television yesterday in silhouette and described merely as "Mohammed" claimed to be a friend of Mr Bijan Fazeli. "He was clearly threats and abuse and trouble making by Iranian embassy staff in London, which he said was never-

conditions on the talks. NI is be-

until after the Brighton meeting.

most leading software houses. Anti-copying devices have meant that there are severe limitations on companies' ability to reproduce sof-Print unions set to resume Wapping talks tware packages for in-house pur

Software

group lifts

safeguards

on copying

ASHTON-TATE, one of the world's

nies, is removing copy protection devices from its main products.

This decision reflects more strin

gent legislation in many countries

against the illegal copying of com-

puter software, as well as increas-

ing irritation by business users at the anti-copying devices used by

Announcing the decision in Lon don, Mr Cary Hobbs, Ashton-Tate managing director in the UK, said that British legislation was now a real deterrent to companies or indi viduals trying to market illegally

copied software.
Mr Hobbs disclosed that Ashton lieved to have no objections to delaying any substantive discussions Tate had reached seven out-of-court settlements with UK companies al-Managers believe that any moves leged to be pirating its software. at the Congress - especially if the NGA persists in its attempt to se-cure the suspension of the EETPU Ashton-Tate, which is based in California, this week reported net intary of the NGA craft print union, is over Wapping - are unlikely to al-reluctant to enter into full discus-fect materially the unions's posicome of \$11.6m on turnover of \$90.2m for the first half of this year. Its business is growing most rapidly outside the US; non-US sales now sions in advance of the annual TUC tion. The electrician's union allowed some of its members to undertake account for about 30 per cent of its obs at Wapping traditionally held

# Optica air crash 'not due to malfunction'

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

Optica light observation aircraft have been enhanced significantly as a result of a government report on the aircraft which crashed in

May last year.
The Optica prototype was being used by police for traffic surveillance duties in Hampshire. Both the pilot and passenger, a police photo-grapher, were killed.

Subsequently, Edgley Aircraft, then the manufacturer, went into receivership. It was rescued late last year by Mr Alan Haikney, a businessman who put in a private

investment of over £1m.

Mr Haikney renamed the company Optica Industries. He is now milding it up, both as a manufacturer of the Optica itself, and also as a high-technology equipment subcontractor to the aerospace and other industries.

The Governments report, iro the Accidents Investigation Branch (AIB) of the Department of Transport, concludes that the Hampshire crash was not caused by any structural or mechanical failure of the aircraft, or to any control malfunction or jamming. The aircraft was serviceable immediately prior to

It suggests that the accident vertent interference with the con-

OPTICA Industries believes that trols by the police photographer, sales prospects for its British-built who might have become alarmed by his apparent insecurity.

The Optica's big, bulbous cockpit (which gives rise to the aircraft's nickname "Bug-eye"), can some-times create a feeling of insecurity in passengers who are not used to the aircraft's exceptionally wide angle of vision.

The AIB says that there have been several incidents where inexperienced passengers, during steen turns, have "grabbed something be cause of a feeling of insecurity."

The report also suggests that the pilot might have been forced to descend by a partial loss of power, arising from mishandling of the fuel tank selector switch, or some other

Because the pilot and the passenger died in the crash, these theories cannot be proved. But the AIB suggests that the design of the Optica's

Optica Industries itself believe that the report clears the aircraft and enables the company to press ahead with its sales campaigns. The Optica will be on display at the Farnborough air show from August

Orders stand at 26 aircraft, at could have been caused by inad-

# If you think we're picky, hard-to-please perfectionists-you're right.



# US insurance broker acquires John Plumer

largest insurance broking company in the US, has ecquired John Plumer and Partners, the Lloyd's insurance broker.

John Plumer, which was formed in 1979, made pre-tax profits last year of £2,1m. The deal will create a new Lloyd's

broker, known as Gallagher Phumer, from a union between John Plumer and an existing Lloyd's broker subsidiary of the US company. Mr Colin Formby, its chairman, said he would expect its combined earnings to place the new broker among the top 25 brokers in the Lloyd's market.

He said the acquisition would complement Gallagher's existing Lloyd's business, which is well-es ablished in US property and casualty insurance. Both our companies share common philosophies and our combined management and staff, numbering about 180, will integrate compatibly with no over-

The purchase has been accom-plished by the US company acquir-ing 109 per cent of the shares in

ARTHUR J. Gallagher, the 11th John Plumer, the holding company for John Plumer and Partners, in exchange for shares in the US company. It values John Plumer at £17.5m.

John Plumer and Partners did about 36 per cent of its business last year in reinsurance, 18 per cent in aviation, 16 per cent in construction and 17 per cent in marine insur-ance. Two thirds of its business came from outside the UK.

Arthur J. Gallagher, which is based outside Chicago and was founded in 1927, made a pre-tax profit of £6.6m last year. Its shares have been listed since June 1984 on the Nasdaq exchange in the US. It has 66 offices in the US and in London and has placed business in the Lloyd's market since the 1960s.

Its acquisition of John Plumer, which followed more than six months of talks, is significant partly because of Arthur J. Gallagher's unusual place in the US insurance world. Forty per cent of its reve nues come from fees derived from Gallagher Bassett, a subsidiary formed in 1962 to offer risk management services in addition to tra

# **Building orders rise 1%**

FINANCIAL TIMES REPORTER

THE VALUE of new orders for construction work in the UK during the second quarter of this year was only 1 per cent higher than in the comparable part of 1985, according to figures from the Department of the Environment.

Seasonally-adjusted statistics, published yesterday, show that in constant 1986 prices, orders were unchanged on the preceding three

However, housing showed a significant improvement, with private orders up 7 per cent on the previous quarter and 14 per cent higher than in the second quarter of 1985. Public

housing orders rose by 23 per cent and 17 per cent respectively. Private industrial orders were per cent lower than in the previous quarter and 29 per cent down on the second three months of 1985.

 The Government said yesterday that a fourth lane costing £20m would be built on one of the busiest stretches of the M25 London orbital motorway to ease the congestion which has brought strong complaints from drivers.

Work on the 5.6 mile section between Chertsey and Staines, on the west side of London, will start next year after a study into the best way of carrying out the addition

Lufthansa

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OUTDOOR advertising likes to think of itself as the oldest advertising medium. Since the days of ancient Persia when, it is said, the kings had their messages painted on the walls of the capital city Persepolis, people have recognised and exploited the virility of the giant outdoor "palette" in catching the imagination and spreading the word.

Today commercial flights of fanors are taking posters into

fancy are taking posters into ever more spectacular directions. Enter the performing poster. We've had cars on "ironing boards" (Citroen), helicopters on hoardings (Peugeot), an electric plug in a giant socket (Electricity Board), torn posters (General Accident, among others), wrapped posters (GLC's red tape), moving posters (on vans, for instance). Then there were the electronic costers (and values electronic costers elec posters (now you see them, now you see something else), the floating poster (which cruises up and down the River Thames) and now talk of a talking poster (for use in a shopping centre).

Many of these are one-off spectaculars, 3D versions of a

vider advertising campaign that is expressed elsewhere on tradi-tional 2D posters. They might not extend the reach of a message, but they are first class at exciting public and media interest. It was the famous Araldite poster featuring a real car stuck to the hoarding with the line "it also sticks handles to teapots," from Ian Potter at FCO agency, that spurred on the

Posters have become the stage, the theatre of advertis-ing," says Mike Goodrich, marketing director of London and Provincial, a leading UK poster contractor. Anyone who wants to catch sight of any of these prime sites just needs to head for the Cromwell Road, London's artery to the wealthy west via Heathrow, and Europe's busiest road with some 70,000 travellers a day

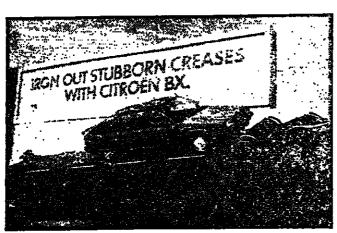
travellers a day.

Even though the UK is capable of some of the direst poster advertising, at its creative best it is regarded by European and American observers as the best anywhere. Judges of a new global award scheme, the Advertising Outdoor International Grand Prix, have handed out more gongs to British entrants than any other nation. Last year Britain took five out of 13 and this year five out of ten.

The winners were Heineken (the man behind bars, from Lowe Howard-Spink Marschalk), GLC (red tape, from Boase Massimi Pollitt), Guinness (ascent of man, from Ogilvy and Mather), Swan Vesta (Britain's favourite flame, from Doyle Dane Bernbach) with the Grand Prix going to the admired mini-

# Electronics are extending the flights of fancy

Feona McEwan reports on poster advertising



essentials. It doesn't need to was once run by the defunct say anything and the product isn't even named."

But while posters may be held in affection by creative spring 1984) that 79 per cent of the spring 1984 that 79 per cent of the spring 198

talents in the industry and a public that reckons, on balance, that these colourful hoardings offer a pleasant enough distrac-tion from dreary building sites, stations and bus shelters, the products and services, medium's market share is slip-Recent findings from Mintel\*.

some £164m in revenues. On the contractor side, the poster medium has long been One quarattacked for its lack of cohesive London. structure, its weak research data, and its complex method of buying sites. Last October, it retaliated with the launch of OSCAR (Outdoor Site Classification and Audionce Personnh)

awards each and France one. offers data on panel sitings, size,

offers data on panel sitings, size, ownership and audience.

This April, Poster Marketing was set up. Aimed at promoting the medium centrally (as does Radio Marketing Bureau), it sees itself as "overtly selling rather than collecting orders."

One of its initiatives will be a poster effectiveness award, as was once run by the defunct countries.

According to Royston Taylor, executive creative director of Dorlands in London, and president of the jury: "What they [the judges] like about British work is its simplicity. The Silk Cut campaign is pared flown to womership and audience. This April, Poster Marketing was set up. Aimed at promoting the medium centrally (as does Radio Marketing Bureau), it sees itself as "overtly selling rather than collecting orders."

One of its initiatives will be a control of the initiatives. was once run by the defunct

underground travellers felt advertising gave them some-thing to look at while waiting for trains to arrive, 78 per cent tion from dreary building sites, felt it brightened the place up unsightly demolition work and and 63 per cent agreed that ads dull gable ends or soulless tube provided useful information on

marketing body disbanded by paid to posters is influenced, the Monopolies Commission in not surprisingly, by occupation, 1981) its share has dipped from consumer mobility and site area. 4.4 per cent to 3.7 per cent last Salesmen, predictably, are expeat, though this still warrants posed to them more than office workers, the young and mobile more than the older generation. One quarter of all sites are in

There are new advertisers moving in where the "beer and baccy" boys once held court. With increasing restrictions on OSCAR (Outdoor Site Classification and Audience Research) sites are less dominated these which goes some way to bring-days by the likes of Gallaher malist work of Silk Cut from ing the medium into line with and Imperial Tobacco. Financial page on August 7 costs £450 Saatchi and Saatchi Compton. other media data against which services are now taking to the and is available from Mintel at Canada and Japan took two agencies buy space and time. It boards in increasing numbers.

London and Provincial reports | MICHEL JORDI thinks big. The a steady growth in this sector, from 4 to 7 per cent of its bustness in two years. The Prudential, for instance, has booked a year ahead.

Shorter booking times mean advertisers can book more spontaneously for tactical manoeuvres. At the height of its takeover bid from Hanson, Imperial Group took the 70 ft

supersite on London's Vauxhall Bridge to underpin its defence. When going public, ad agency Gold Greenlees Trott took to the medium it has used so effectively for clients (such as London Weekend Television, SDP/Liberal Alliance) with the command to potential shareholders and clients: "Give us

Technology is fast taking on the poster world with electronic billboards offering advertisers the facility of fast changing messages, often with graphics and animation too. These vary considerably in degree of sophistication.

Up to now, many advertisers tion and definition of existing systems wanting. However, there are signs that this is changing. Apple computers is currently planning to break new ground with an electronic site on the Cromwell Road (plan-ning permission willing) which

a moving message display. This carries up-to-the-minute travel information via a connection with Virgin head office.

One of the most sophisticated systems yet to arrive in the UK has been landed by poster con-tractor Arthur Maiden. Its new computer-controlled graphic animated display measures 30 feet by 15 feet and is said to have the visual impact and flexi-bility of film. Now under construction in Piccadilly Circus, ping. Since the heyday of the market research analyst, on this American-made system (it British Posters (the centralised posters showed that attention is like the Times Square display this American-made system (it which is now ten years old) represents an investment of about £1m and will offer full colour and 16-hours a day transmission. Ads will be able to be changed at about three days' notice. It starts operating commercially in October.

> \* Report on Poster Advertising appears in Market Intelligence Journal, May 1986 issue, £60, available from Mintel Publications, at KAE House, 7 Arundel Street, London WC2. Sponsor-ship Report mentioned on this

Swiss entrepreneur hired a helicopter to hoist a watch weighing 1,500 kg onto a casino roof at the Montreux Jazz Festival. Such hype and imagination helped Jordi to launch "Le Clip "—a cheap, plastic, elip-on watch which has achieved sales of 100,000 since its European

the first week, Harrodswhich enjoyed exclusive distribution for the first week-reported sales of 600.

Le Clip is the latest fashion to emerge from the Swiss watchmaking industry, the rewatchmaking industry, the re-covery of which was boosted two years ago with the advent of the Swatch, a highly popular plastic wristwatch. Le Clip— which clips onto everything from ear-lobes to bikini-bottoms —comes in 25 different designs and sells for about \$20.

The success of Swatch, of which 8.3m sold last year, made Jordi keenly aware of the re-wards for the right mix of imaginative promotion and careful positioning in the lowprice-end watch market.
Jordi allocated £800,000 for

advertising and promotion for the rich verthe product's first six months one watch.

"WE DECIDED to divide and

grow. We felt that the fashion market in the mid-1980s was

itself splitting up, with women wanting to make different fashion statements at different

Thus George Davies explains why Next, the womenswear chain which has been a leading player in Britain's fashion

revolution of the 1980s, has

just started to unveil a new look for its 220 High Street

The fashion stores are being

split over the next few weeks

into two new chains--called

Collection and Next Too --

aimed at segmenting the market for the working woman's

since it was created out of the old Hepworth men's tailoring

empire (with the subsequent creation of Next for Men, the

Hepworth name disappeared).

times of the day."

stores.

debut in mid-June. "We're going to revolutionise the worldwide watch industry," claims Jordi, Le Clip's creator, who introduced the colourful time piece in London two weeks ago with a magic show complete with fashion models and dis-appearing watches. By the end

# A fashion to watch

Laurie Ludwick looks at the changing face of timepieces

— almost 40 per cent of the £2.2m venture capital he raised from a small group of private investors before production began in January.

The key element in Le Clip's marketing strategy is position-ing. According to Jordi, Le Clip is more than a soundless, waterproof, quartz watch — it is a fashion accessory.

"It's lifestyle and emotion." he says. "It won't replace the wristwatch, but it will be purchased as a fashion accessory which gives time as a bonus."

Joanna Broadley, Harrods'
buyer of fashion jewellery and
watches, who ordered 500
watches for the launch, is surprised by the initial success of

Le Clip.
"In the long run, I'm sceptical about how customers will react to a watch which can't be worn around the wrist," she

Jordi is capitalising on two developments in the watch in-dustry. First, a watch is no longer purchased as a graduation or 21st birthday present which is supposed to last a life-time. Second, it is no longer the rich who own more than



Reece Raybouid, prand manager of Swatch for Louis Newmark, Swatch's distributor in the UK, is cynical about Le Clip's strategy of associating itself with Swatch in its public relations, but believes Le Clip will sell well to people who already own a wristwatch, and want something unusual.

Swatch's priority, he says, is to keep several steps ahead of the new manufacturers, rather than compete directly. "When

you are a leader in a market you created, you always have to be far ahead of the game-never standing still—making sure that the new manufac-turers can't catch you." Another Swatch compeditor— Timex—recently launched its

"Watercolour" collection, a range of pastel wrist-watches which are "less peculiar" than the funky designs of Swatch, but which aims to attract a which aims to attract a wider variety of people, according to David Roxborough, Timex's marketing manager.

Timex is spending £250,000 on a nationwide poster campaign.

on a nationwide poster campaign. Pastel men and woman cover the 20 foot-long posters, which are positioned in tube stations and along High Streets throughout the UK. Unlike Le Clip, which sells only in tready boutiques and upmarket department stores, Timex will be selling in Woolworth and W. H. Smith

Smith.

But for now, at least, the always self-confident Jordi prefers to ignore competition from wristwatch manufacturers like Timex and Swatch in the bolief that they are still living in the past and that it is he who will transform the market.

# The Next collection of developments

David Churchill on the UK retailer

he will probably carry out a similar operation on the Next appears to have been with hind-for Men chain next year. sight—"but we quickly realised The creation of Next Collection and Next Too sprang out of a feeling that "we were in danger of losing our exclusivity", says Davies. "Everybody had too many opportunities to buy the same clothes — we wardrobe. It is a market which Next have so successfully established in the four years were becoming a sort of Marks and Spencer, mass-market retailer, which isn't our style."

Next captured the mood of working women in the 1980s—the generation with greater disposable income than those in their teens and early twenties whose spending power was hardest hit by the recession. The 25 to 45-year-old woman

George Davies, the bouncy Liverpudlian chairman of Next and creator of its original concept, also believes that the with money wanted stylish clothes with a greater degree of exclusivity than was readily latest move is only a beginning and that "there are no limits to segmenting the market into different approaches." Indeed, available. Davies freely admits that the original concept was

not as well-formulated as it that we had something really special going for us."

Over the past year, though, the original formula had begun to look dated and tired. Estab- is "for the woman who wants a lished multiples such as Marks and Spencer and the Burton Group — as well as newer com- wear, insists Davies, but "an peutors such as the revitalised attitude of mind about dressing Richards or Solo-had begun in a different way." to compete vigorously for a share of the market

time and energy over the past two years on developing the Next concept into menswear and home furnishings, they

sharply to differentiate the range of clothes on sale. Although, as Davies is quick to point out, "it's the sort of change that is immediately obvious to women but which most men probably wouldn't

Half the Next stores are being designated as Next Too outlets and half Next Collection. Next Collection is aimed at the working woman who, says Davies, "is more composed and more assured in her dressing but not free as to what she can

Next Too, on the other hand, more frivolous and freer style." It is not simply casual

Since many city-centre Next stores are already located close Although Davies and his col- to each other, the plan is to leagues bad spent much of their have one selling the Next Too range and another the Collection outfits. Outside the large cities, the concept will depend realised that the Next product competition from other retailers life-cycle needed to move onto and whether there is a demand a new growth track.

That something new was to keep the existing shop facia but for the more upmarket Collection clothes or the less formal countils from the Too range.

# **TECHNOLOGY**

A better process has renewed interest in a once popular germicide

# Abandoned chemical's comeback

By Steven B Butler in Seoul

HEXACLOROPHENE, the pow-erful germicide in widespread about 100 tons went for other in graphic and in graphic and in graphic tons. Mr Park will not disclose reful germicide in widespread about 100 tons went for other use during the 1960s, is about to stage a surprising comeback. The chemical fell into disuse in the early 1970s as concern rose about traces of dioxin, the highly toxic substance, that In the early 1970s, however, the manufacturing method, and the company to publicise the company to publicise the company to publicise the manufacturing method, and the company that the manufacturing the company to publicise the company to publicise

wide for more than a decade. of the world's chemical giants, Korean companies are known including US majors like Dow for manufacturing prowess, but Chemical, GAF, Hercules, and

A team of researchers at Kosco, a subsidiary of Korea's giant Daewoo group, has found a way to make hexaclorophene with no detectable dioxin and Kosco now finds itself in the

Hexaclorophene was an unusually public chemical

enviable position of having an 1 ppb. exclusive manufacturing process for a product that has a ready worldwide market.
The effort at Kosco was led

by Mr Hung S. Park, who earned a PhD in chemical engineering in the US and worked for US companies such as Inland Steel, and B. F. Goodrich before returning to Korea early last year. In returning to

chemical was discredited by the dioxin controversy, a mid-life crisis was forced onto Dial, which transformed itself into a

annually in pharmaceutical and Kosco recently completed a \$5m cosmetic products. Another 350 plant in Pohang, South Korea, metric tons were used for This has an annual manufactur-

Diamond Shamrock. Dioxin was a by-product of the manufacture of TCP, and as

TCP was further refined to HCP, the dioxin could not be entirely removed. In the early 1970s, the US Federal Drug 1970s, the US Federal Drug Administration (FDA) specified a maximum of 50 parts per billion (ppb) of dioxin that would be permissible in pure HCP for pharmaceutical and cosmetic uses, a standard that was exceedingly difficult to meet. Users of the product generally insisted that dioxin content be reduced to under 1 mpb.

Manufacturers began to shy away from TCP because of toxic waste disposal and possible liability problems. As a result, the price of HCP rose from \$20 per kilogram in the early 1970s to \$120 per kilo-grame last year, making the product uneconomical for use as a herbicide, and contributing further to a reduction of demand. Total production declined from about 600 metric Korea, says Mr Park, he was further to a reduction of paying a kind of debt."

Hexaclorophene (HCP)—first synthesised in 1939 and widely used in pharmaceutical and cosmetric tons.

metic applications—was an unusually public Chemical. lowing among surgeons, who in-Through advertisements for sisted that no other product products such as Dial soap con-sumers came to know of HCP's was as effective, but other sumers came to know of HCP's pharmaceutical and costmetic antiseptic properties. When the uses of the chemical tailed off

the dioxin controversy, a midlife crisis was forced onto Dial, which transformed itself into a deodorant soap.

As the safest and most powerful germicide, HCP was widely used for surgeons' scrubs. Prior to its decline, about 150 metric tons of the chemical were used annually in obarmaceutical and Kosco recently completed a \$5m

rose about traces of dioxin, the highly toxic substance, that was left in the product as a result of manufacturing processes.

The surprise comes from the fact that it is a Korean company, the Korea Steel Chemical Company (Kosco), that has found the solution to manufacturing problems that have eluded chemists worldwide for more than a decade.

Sitic disease.

In the early 1970s, however, the manufacturing method, and Mr Park says that attempting to enforce the patent worldwide would be prohibitively costly. Instead Kosco will try to keep the formula secret for as long as possible and expand the company's market share.

HCP was synthesized from the intermediate chemical trickly sure how big the time was manufactured by some was manufactured by some was manufactured by some was manufactured by some the intermediate chemical giants, with the manufacturing method, and Mr Park says that attempting to enforce the patent worldwide would be prohibitively costly. Instead Kosco will try to keep the formula secret for as long as possible and expand the company's market share.

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although they expect it to be at least 600 metric tonnes. The way for US sales was cleared in June when the product was registered successfully with the FDA. Inchema Inc of Closter, New Jersey is distributing Kosco's HCP in the US and Europa

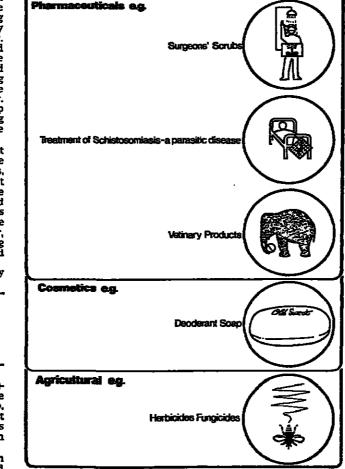
Europe.
Dioxin-free HCP has already

HCP will be a small profitable speciality product for KOSCO

found its way into hospital products. Proctor and Gamble, the US consumer product group, has expressed renewed interest recently received inquiries from a Japanese distributor.

The market for HCP in Japan was previously very small, and Kosco managing director Mr Y. N. Kim says he expects demand for use of HCP in cosmetic products in Japan and the developing world will be much stronger. In the past, the market for these usages was confined principally to Europe and North America.

The company plans to produce 100 metric tonnes of hexachlorophene this year and says that it can rapidly expand



Main Applications of Hexaclorophene

position as a single-source supplier," says Mr Park.

HCP will be a small profitable specialty product for in aerospace, automobiles, and Kosco, but Mr Park has bigger plans for the company. He wants to turn Kosco into a billion-dollar-a-year enterprise tical applications. This month the company is to launch a restriction enzyme used to break apart the amino acids in DNA.

The company's main products to research in polymers, engineer ing plastics, ceramics, and company is to use develop Kosco's research in biotechnology for pharmeuceubillon-dollar-a-year enterprise tical applications. This month the company is to launch a restriction enzyme used to break apart the amino acids in DNA.

says that it can rapidly expand capacity should greater demand materialise quickly.

The price for HCP has already dropped from \$120 per kilogram to about \$70. Mr Park says that manufacturing yields have risen from 30 per cent to 50 per cent, and that Kosco will continue to bring the price down as the manufacturing process is improved and the market increases.

(\$91.9m),

The company's main products now come from the processing of coal tar, a waste by product from the huge Pohang Iron and Steel Company steel mill located next to Kosco's main plant. Kosco has already expanded into the manufacture of agricultural chemicals, and has a licence to manufacture increases.

The Opal has taken more than the verage type-writer. Conventional telex machines have been large, noisy units. By comparison, the Opal material which it hopes will sweep the market.

The Opal has taken more than the outskirts of Seoul in nearing completion.

"The company will be very aggressive in research and development in the coming days," of a telephone yet it is so sophisticated that it can communicate with word processors, through in HCP is any indication of what is any indication of what is a sum on the processing of the market.

The Opal has taken more than the amino acids in DNA. the basic chemical of heredity. A new \$3m research facility on the outskirts of Seoul in nearing completion.

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continue to bring the price down as the manufacturing process is improved and the market increases.

"We don't want to be seen to be taking advantage of our of agricultural chemicals, and has a licence to manufacture to through in HCP is any indicate that it can computers, electronic tion of what is to come, Mr Park's ambitious goals for the company may not be quite as to steer the company into

# Pharmacists join in computer trial

BY GEOFFREY CHARLISH

PRESCRIPTION DATA will be sent electronically from frames for processing. Queries chemist's shops to the Prescription about the prescriptions will go back over the network to indiputer centre in Newcastle in a vidual chemists. pilot scheme to be set up by International Computers (ICL)

The PPA collects information needed to reimburse 10,000 pharmacists for some 320m High Street prescriptions worth about £1.2bn each year. At the moment, each dispensing chemist has to send batches of paper prescriptions to be pro-cessed for payment by the PPA. The massive volume of work involved causes delays and difficulties for pharmacists in reconciling payments against prescriptions submitted.

In September, a six-month pilot scheme will allow 20 chemists to send their data at

nationwide data communications network, an "open" system that allows terminal equipment

Much of the relevant data is already being captured auto-matically since many dispensing chemists use a microcomputer for labelling or stock control and re-ordering of drugs. Three suppliers of such systems (Vestric, Unichem and John Richardson) have already amended their software to allow prescription information to the suppliers of the suppliers prescription information to be transmitted from an IBM PC. BBC Micro or ICL PC, in a common data format.

ICL will charge about 4p for each transmitted prescription so that an annual revenue of £13m is in prospect if the Department of Health and Social Security decides that the ICL network will be used by all chemists. The pilot contract, worth about £100,000, was won from any manufacturer to be connected.

An ICL System 25 minicomputer will collect the data which and others.

# Oil pipeline tests

special test facility to look at the processing plant further down likely problems in transporting the line.

Trend Communications has invested more than £2m on the larger percentage of the 1.25m development of a new type of telex terminal which it hopes telex terminal which it hopes in the UK. Today only 8 per are have a toley though there are

AS THE price of oil has fallen, such oilfield mixtures along the economics of offshore production have become very sensiduction have become very sensitive and many fields have seen their profit margins all but disappear. The BHRA, the Fluid Engineering Centre in Bedford, believes that the exploitation of deepwater and marginal oil fields can only be economic if the product is transported as a multi-phase mixture.

The BHRA has set up a senecial test facility to look at the

# Versatile telex

have a telex though there are estimated to be about 2m telex machines in use worldwide.

The keyboard is separate from the printer. the printer and looks more like a small portable personal computer than a telex machine.

Telex machines in the past few years have been faced with increasing competition from other office automation products such as electronic mail and facsimile machines which is dominant in countries such as Japan and Sweden.

on local factors-More to offer in CAD/CAM

# SELENIA. Neville House, 42:46 Hagley Road, Edgbaston, Bertrungham, 816:8PZ Telephone, 021:455:7ZTT Telen, 335682 All purpose

vessel By Fay Gjester in Oslo

production

By Fay Gjester in Oslo

THE FIRST ship ever equipped to drill for oil, process it and store it on board will shortly start work on the Norwegian Oseberg field. The "Petrojarl I," a so-called well-testing and production vessel, has been undergoing preliminary trials in a Norwegian fjord but is due to begin pumping up Oseberg oil early next month. It has been chartered for 18 months by Norsk Hydro, the operator on the field. Hydro believes that test production undertaken long before the permanent production facilities are in place can provide variable information facilities are in place can provide variable information about the reservoir.

Such information could well make it possible to increase the proportion of the field reserves which can be extracted—and even a 1 per cent rise in Oseberg's oil recovery rate would boast income from the field by 20

recovery rate would boost income from the field by an estimated NKr 130m.

estimated NKr 130m.

When oil is produced by floating platforms or drilling vessels during reservoir tests it is usually "flared" (burned up) and thus wasted. "Petrojarl I" will separate the oil from the associated gas and water and store it until it can be collected by a tanker or be collected by a tanker, or transported to a refinery. The vessel has storage facilities for 190,000 barrels of oil.

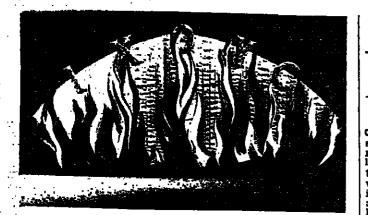
y Lloy

# **Smart card** chips

SMART CARD microctrentichips of improved design will be available for sampling from French company Thomson Components Semiconducteurs in the last quarter of this year.

of this year.

The new chip uses an eight hit processor with \$4,000 characters of random access memory, 2,500 characters of read-only and 4,000 of electrically programmable memory, but from Basingstoke, UK on 0256 29155. UK on 0256 29158.



Jane Lemon's design for the Pentecostal frontal for St Peter's Chapel, Radley College

Design/Roy Strong

# High church art

been without doubt an amazing, vigorous and experimental thrust — a second renaissance in English embroidery.

thrust — a secondary.

It is a northern skill—Scandinavia has also made its Panter's cope for St. Anne's contribution—and peculiarly Highgate has an explosion of huge scarlet and crimson popples on green silk with touches form.

There are the state of this art: Jean exponents of this art: Jean dinavia has also made its Panter's cope for St. Anne's Highgate has an explosion of huge scarlet and crimson popples on green silk with touches of gold; the Rev L. Childs has application two-dimensional pattern.

The exhibition brought characteristic of those of who do the work, but this could not conceal an impressiveness hardly paralleled elsewhere. It owes its origins largely to Beryl Dean who started an ecclesiastical embroidery class at the Hammersmith College of Art and Building in 1958. The impulse was aided by a demand to replace textiles destroyed in the Second World War. They could also afford to be adventurous; unsuccessful work could be quietly stored, unlike a dis-astrous building.

What happened from the What happened from the 1960s onwards has been a Dean, are beautiful, very much response in ecclesiastical embroidery to a muted modernism close to the ethos of a John Piper or Graham Sutherland. Machining was freely used, often in conjunction with hand work, but the great change, apart from the design and vibrant colour, was in the great local houses—Hardwick Hall. Chatsworth and Bolsover fabrics. There w away from what in the Victorian case was thought to be suitable for church use; embroiderers experimented across the field, experimented across the field, brown wifrom furnishing fabrics to canvas and leather, with a great easily, use of varieties of gold and except

seculns. If the result is a certain the liturgy is theatre. The leading exponent of the new generation, Jane Lemon, began her career in the wardrobe of the BBC. She now heads the Sarum Group, whose work is rightly recognised as being in the forefront. Its range is continuous potential for the application of ideas and principles to secular interior decoration. We cannot live in the realms of festoon curtains and the country house look for ever. theatricality of effect that is

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XIII.

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A recent exhibition of considerable. The Lenten altar temporary ecclesiastical art at frontal for Salisbury Cathedral Hereford Cathedral was a has embossed hooded figures; forceful reminder of a new the Lenten vestment set of the forceful reminder of a new direction in a minor art at which this country has always excelled. The opus anglicum was celebrated throughout mediaeval Europe, and the Elizabethan and Jacobean ages saw a renaissance in the art. Now, over the last 25 years, there has been without doubt an amazing, vigorous and experimental the Lenten vestment set for the same cathedral is of pulled a work and couched threads on handwoven wool, with the shadow of the Cross falling across the chasuble; in sharp contrast, the altar frontals for St. Peter's Chapel, Radley College, has great encrusted golden keys rising above an inverted cross and a swirl of inverted cross and a swirl of

English preoccupation with pies on green silk with touches decoration as against form. Embroidery is an ideal expression of our instinctive love of and elegance of design, aligned and elegance of design. to great colour sensitivity, in the festal vestments he worked The exhibition brought the festal vestments he worked together outstanding examples for the Bishop of Chester. The of ecclesiastical embroidery stole alone is a little master-executed during the past piece, with large raised lettering decade: vestments, altar frontals, banners and kneelers. It was presented with a modesty like a monumental inscription: God is our hope and strength therefore shall we not fear.

> It must be remembered that embroidery is a collaborative venture, involving not only the designer but one or more makers — though sometimes when this involves parishioners the quality of execution can fall

The exhibition had a massive array of kneelers which showed how essential it is to control design and colour; otherwise it can easily slip over into the folksy and kitsch. Sylvia Green's kneelers for Newland, Forest of

Such achievements slip by easily, unnoticed and unsung except by the occasional aesthetically inclined church-goers. Assembled at Hereford, they made the point that something terrific has been happen.

Summer comedy season at Richmond

During August and September the Richmond Theatre is presenting a season of comedy, starling this week with Patricia Hodge and Lewis Fiander as Noël Coward and Gertrude Lawrence in Noël and Gertie, devised by Sheridan Morley.

This is followed on August 55 by Peter Terson's play 5trippers, starring Norman Vaughan, and a visit from Ray Company with Wife Begins at Forty, starring Patrick Mower.

Lloyds Bank Plc

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U.S.\$500,000,000

Primary Capital Undated Floating Rate Notes (Series 2)

In accombance with the terms and conditions of the Notes and the provisions of the Agent Bank Agreement between Lloyds Bank Ple and The Chase Manhattan Bank, M.A., died 19th Notember, 1985, notice is hereby given that the Rate of Interest for the Estreet Pencel beginning on 21st August, 1986 has been fixed at 65% p.a. The relations Payment Date is 21st November, 1986 (making an interest period of 92 dept), and payment of US\$162.92 will be made against Coupun No. 4.

Forty, starring Patrick Mower.

Penderecki's opportunistic tour de force

was also an exciting two hours house of the rich merchant in the theatre. Penderecki has always been a composer who ravages of war and plague are knows how to give an audience spoken of, but not directly seen what it wants in some cases in the theatre. Fendereck; has always been a composer who knows how to give an audience what it wants—in some cases, he has shrewdly guessed what an audience might want before it knew so itself—and, in answering the Salzburg commission, he plainly decided that a mixture of expressionist sensationalism, end-of-the-world anguish, black farce, phantasmagoria, and a cast of 14 main characters with murky pasts gradually revealed, would be just the thing.

He has been proved right. The musical performance, by the Vienna Philharmonic under Woldemar Nelsson, delivered every aspect of the piece with

wondenar Neisson, delivered every aspect of the piece with a flourish, and the central per-formance by Josephine Barstow, whose previous Penderecki role was Jeanne in the ENO Devils of Loudon had a riveting brilliance. The Salzburg audience, not noted for its venture-someness in the face of the unfamiliar, cheered long and heartily with just enough boos for the composer to give the appropriate frisson to the

In fact I can't say I admire The Black Mask very much; I feel that a naked opportunism shows through on every level. But, on its own (not very elevated) terms, it's a piece that goes off with a bang. It seems to me to belong, in the list of post-war operas, somewhere near Bennett's Mines of Sulphur—another well-made example of operatic sensationalism, which also employs an antique

setting and an infusion of the setting and an invision of the supernatural to give its audience an agreeable attack of the flesh-creeps. Like Bennett's work, The Black Mask will surely do the rounds, and then come back every so often, when a company wants to treat itself to some modernity-without-

Casting round for a subject, Penderecki lighted on and was inspired by Gerhart Haupmann's darkly symbolic one-act play of 1928. In collaboration with the producer Harry Kupfer, he

or heard.

Various town notables arrive for a feast: Gerhart's scheme of including in the party a visiting Jew, a Duke-Abbot of the Catholic Church, a Lutheran pastor, a freethinking musician, and a couple of refuse Land pastor, a treethinking musicial, and a couple of refugee Jansenist and Huguenot servants, finds a dramatic context in which to circulate the discords of the time. Gradually the revelations come out. Most

Krzysztof Penderecki's third opera, The Black Mask, a long single-acter, had its first performance at the Salzburg Festival last Friday. It was a big, important occasion; unlike many it was also an exciting two hours in the shearten Panderecki has single-acter, had its first performance at the Salzburg Festival drama. At the end of the Thirty black slave of her former tant occasion; unlike many it was a big, importantly, that Schuller's cowp de théâtre). The vocal wealth has been gained from the slave trade, and that his wife Benigna has had a child by a black slave of her former characters assorted according to voice-types; and at the centre diding is no less deft. Fertile ensembles rapped out in punchy Hindemithian counterpoints; Characters assorted according to voice-types; and at the centre diding is no more than basic of the opera, a long solo of practicality.

No doubt about it, this is a also a reflection of rich, gloomy

of the opera, a long solo of confession for Benigna Schuller slave had then murdered. When the man himself bursts into the confession for Benigna Schuller (soprano) in which Strauss, figure, events build up to a dance of death from which only the Jew is spared.

A juicy basic text, indeed: and Penderecki has gone at it full tilt. The score is a bag of tricks: the themes are clearly impinge, the modernist sound-demarrated.

Salzburg Festival/Max Loppert

impinge, the modernist sound-effects with which Penderecki demarcated, emerging and returning to order; the variety of texture according to episode is cunningly achieved (for instance by the Varèse-like percussion toccata that provides the prelude and later a dramatic later "rediscovery of tonality";

Marquis) upon whom to focus the sexual hypocrisies and even the seeping corruption of European society, but one doesn't pause to record the distaste while The Black Mask is under

way.
The opera invites production

practicality. vide one of the stage walls, and
No doubt about it, this is a also a reflection of rich, gloomy virtuoso piece of writing, brisk of pace (no glances at one's watch halfway through), at once "modern" and palatable. There is something distasteful, I fear, about the use of the black man (the actor Charleston back to face the audience with the district of the control of the gloomy control of the gloom cont its own threat of doom, a typical Kupfer didacticism, but exactly the sort of final theatrical feat the evening required.
The cast is splendid. Miss Bar-

stow's Benigna is quite extra-ordinary — tirelessly athletic across a wide vocal compass— and endlessly fascinating in its blend of sensuality and writhing despair: a Silesian ancestor of Lulu to whom downfall comes more directly and more inexor-ably. Günter Reich, in superb voice, makes the Jew Löwel Perl a point of calm around which tempests are unleashed. Walter Raffeiner's Schuller, Heinz Zed-nik's musician, and the skittish mulatto daughter. (Lona Cul-mer-Schellbach) also demand mention. In the Kleines Fest-spielhaus the balance between voices and orchestra was not always exact, but otherwise this was a première of the highest accomplishment.

Alongside the big, important operas and symphony concerts, Salzburg also offers an unfailing supply of less exotic music-making on a small scale to refresh and soothe the over-stimulated SDITITS.

Peter Schreier's superb recital at the Mozarteum was a fine sample. He combined the lessfamiliar Schumann Liederkreis, on Heine poems, with Janacek's Diary of One Who Disappeared. A brave choice, and a display of the most dstinguished kind of Leder-singer's art: verbally pointed without ever becoming fussy, and always inspired by a lyrical impulse. Sung in German, by an earnestly bespectacled, middle-aged tenor of non-vibrant vocal timbre, the Janacek cycle took an Ingmar Bergman-like subtext—the Diary of a Lutheran Pastor's Downfall,



The Black Mask set, with the mirror curtain, reflecting the scene, behind the table

### Nightshriek/Shaw

### **Martin Hoyle**

has opened its 30th anniversary season with its first full-blown musical. Trisha Ward, aged 22, has bopped up Macbeth, and despite odd miscalculations and the (inevitable) occasional bathos, reveals an instinctive flair for musical theatre. Aided by the now expected ease and confidence of the cast of school-children, students and young hopefuls which puts many jaded professionals to shame, the show can be accounted an energetic and exuberant suc-

As author, lyricist and com-poser, Miss Ward knows how to maintain tension between the ing in this area. There must be an enormous potential for the application of ideas and principles to secular interior decoration. We cannot live in the realms of festoon curtains and the country house look for ever.

Season at Richmond

This is followed on August Strippers, starring Norman Vaughan, and a visit from Ray Cooney's Theatre of Comedy Company with Wife Begins at Forty, starring Patrick Mower.

The interior in this area. There must the must be maintain tension between the high-points. Duncan congratulates Macbeth before the court, and rock rhythms give way to a purposeful jig, drums and wheezing drones providing a Scots flavour. Lady Macduff's bittersweet reproach to her absent husband, "Too late anyway." would grace any new musical (are there many?) currently in the West End, the equal of any double-barrelled composer you care or not, to name. And Lady Macbeth's sleepwalking belter, "Don't wanna do anything," should send Elaine Paige scuttling to the recording studio forthwith. Unfortunately this number is

The National Youth Theatre followed by one of the show's Wilson, give us a spectacularly two miscalculations. Suddenly camp routine with simulated—a romantic hero, Macbeth sings attempted—sex and a striptease a ballad lament over his wife's from the henna-haired Porter, body in music untrue to a rose clamped between his character and situation teeth. The audience, one must

character and situation

The other false note is provided by a honky-tonk, high-kicking number for the Porter. Far from delicately omitting his reflections on the effects of drink on lechery—as happens in some school editions—Miss thought the dispersion of the school editions—Miss thought the school editions—the school editi Ward and her director, Edward



Alastair Muir Michael Hobbs

Otherwise, reservations centre on the uneasy mixture of Ward and Shakespeare. Too often the lyricist, enamoured of those dangerous rhyming couplets, thuds into anti-climax. Luckily vitality and sheer conviction carry the day; from Michael Hobbs and Carmel O'Connor as the usurpers, and the Macduffs of Lyndon Hughes—a strong, gleaming edge to his voice and an impressive presence-and Liz Carling.

Brian Lee's set of corrugated perspex, alarmingly steep ramp and tilted central podium that occasionally glows as if hell were just under the stage, is as striking as his costume designs—modern military uniform and, for the witches, white draperies shot through with red veins. Steven Edis directs the band. However eclectic the cum-bazouki-cum "Ghost riders in the sky"), it has more urgency and sense of theatre than certain long runners south of the Euston Road.

# David Vaughan

plete.

A new ballet, The Knight in the Panther's Skin, by artistic director, Oleg Vinogradov, was shown in its entirety only in Vancouver. In the States, the repertory has been limited to the full-length Swan Lake and programmes of one or belief.

programmes of one-act ballets and divertissements. Many dancers (including former members Mikhail Baryshnikov

and Natalia Makarova), critics and balletomanes went to Philadelphia to see the com-

pany; Swen Lake was to be taped at Wolf Trap, near Washington DC, for later trans-

In both Los Angeles and

Philadelphia the company appeared in enormous theatres, the Shrine Auditorium (6,000 seats) and the Mann Music

Center (about 4,000). There

wasn't an empty seat at a Friday matinée of Swan Luke in Los Angeles, and that audience saw something worth

August 15-21

mission on public television.

In dance, the first couse-applauding: the performance defile taken at a faster tempo of the cultural agree-of the young ballerina Altinay than in Nureyev's or Makarova's ment signed this year between the US and USSR, was the spring tour by the Kirov Ballet. Amazingly the company had not been seen in North America. As the swan-maiden Odette, she and feet. American Ballet Theatre, Once not been seen in North American presented a series of lovely it was over, there wasn't much

Kirov Ballet/American tour

Like so many Soviet dancers, she favours (or is obliged to follow) exaggeratedly slow tempi in this role, but her phrasing is always musical. She avoids other Soviet mannerisms the creating and the special state of the for more than 20 years, and images, even now did not appear in Like she fav point.

The programme began with Fokin's Chopiniana (Lcs Sylphides), danced in front of a backcloth depicting a wooded landscape in broad daylight, in boarding-house style. The male like the snakelike rippling of the arms in the final exit of Act one — she has a poignant moment when she pauses in boarding-house style. The male role was danced by Sergey Vikharev, who has become more mannered since I first saw him her pas de bourrée to look back at the Prince, as though her transformation is not yet comin Leningrad three years ago. He was the only male dancer listed for the pus de trois in the final item, the divertissements from Paquita, but in fact this was danced by another gifted young dancer, Aleksander Lunev (who danced the

plete.

As the enchantress Odile,
Asylmuratova registers determination rather than allure —
she positively screws up her
face as she hits her poses. She
just about got through the
infamous 32 fouettés (or 31 and
a final double); as with most
Soviet dancers, the turns were
poorly shaped, with a kick out
to the side rather than a rond
de jumbe, which makes for
smoother execution. smoother execution.
The management in Los

Angeles paid the audience the compliment of giving out a programme sheet with accurate casting information. Not so in Philadelphia, where the pro-gramme book listed "alter-nates" with no indication, by announcement or otherwise, of which we were to see.

turn up in other Petipa ballets, such as La Bayadère and Don Quichotte, and even one from Fokin's Le Pavillon d'Armide. Lyubov Kunakova's slow varia-tion was a model of classic technique and musicality, as was Elena Yevteyeva's delicate which we were to see.

As a consequence, many in In both cities, the dancers the audience seemed to be clearly felt the warmth of the

Swan Lake pas de trois in Los

In general, Paquita offered the best dancing of the evening,

as well as a sumptuous decor based on Golovin's original red version of the Kirov front-curtain. The divertissements in

fact include variations that

Angeles).

the audience seemed to be under the impression that they were seeing Asylmuratova in the "Shades" scene from La Bayadere, when it was in fact danced by the alternate, Galina Mezentseva. If they had seen Asylmuratova, they would surely have known the difference.

The corps de ballet's opening clearly felt the warmth of the wardence's response, but to the critical eye there are disturbing signs that the Kirov suffers from a malaise similar to that which affilicts the Royal Ballet, one symptom of which is the failure to nurture young dancers in such a way that they can fulfil the promise of youth and become mature artists.

### stucco and sculpture, to be seen in this Chamber and the adjoining gallery. Ends Aug 31. Den Bosch, Noordbrabants Museum. and regional character. Ends Oct 5, then Düsseldorf and Paris. NEW YORK Regional costume and jewellery from the Catholic south of Holland fuseum of the City of New York: Ar-bit Blatas's paintings, drawings and sculptures of Three Penny Opera covering 12 scenes and 11 charac-ters, were inspired by the historic Theatre de Lys production in 1954 starring Lotte Lenya. Ends Oct 15. WEST GERMANY

Music/Monday. Opera and Ballet/Tuesday. Theatre/Wednes-day. Exhibitions/Thursday. A selective guide to all the Arts ep-

Mediaeval art in Paris: The abbots of Clumy built their magnificent late gothic town house in the heart of the Latin Quarter on three black-ened ruins of Roman baths. Now a museum, it houses mediaeval works of art: goldsmith's work, carved al-tar pieces, ivories, fabrics, with two English royal standards embroid-

Exhibitions

Arts Guide

of art golosmin's work, carved artar pieces, ivories, fabrics, with two English royal standards embroidered in gold on red velvet. In a ritunda of its own is a set of the Lady and the Unicorn mille fleurs tapestries – an allegory of the five senses, one of the masterpieces of mediaeval art. Musée de Chmy. 8 Place Paul-Painlevé, Métro Odéon.

Ghent: Chambres d'Amis, 51 interna-tional artists showing in 51 private houses. Tickets, map etc from Mod-ern Art Museum, Ghent (091/211703). Ends Sept 21.

LONDON

Hayward Gallery: Dreams of a Summer Night - an exhibition of painting at the turn of the century in the five Nordic countries, organised by the Arts Council and the Nordic Council of Ministers. It proves to be an important and intriguing exer-cise in critical reassessment, for though many of the painters enjoy-ed a certain contemporary fame abroad, they were with one great ex-ception all but forgotten in the years after the first world war. Munch was that exception, and the chief value of this exhibition, which throws a fresh light on his work, is five Nordic countries, organi

the demonstration that he was no arbitrary phenomenon but the not-able product of a distinctive national

Nürnberg, Germanisches Nationalmu-seum, Kornmarkt 1: Nuremberg, from 1300 to 1550. Gothic and Renice Art. About 300 main works of Nuremberg's grandest age. Ends ITALY Florence: Palazzo Pitti (Sala Bianca):

Mary Magdalene: Saint and Sinner: An inspired exhibition based on the An inspired exhibition based on the contrasting aspects of the character of Mary (who symbolises both sin and redemption) as seen by artists as diverse as Titian (the glorious Mary Magdalene of Noil Mi Tangere) to Guttuso and de Chirico, via the gloomy and often despairing figure of many of the 19th century paintings. Ends Sept 7.

ome: Palazzo Braschi: Rome 1934; an unusual collection of paintings (insuch as De Chirico and Giacomo Balla) showing the curious artistic climate prevailing under Mussolini-Ends Aug 24.

**NETHERLANDS** 

Amsterdam, Royal Palace: This year's summer exhibition is devoted to the work of Jacob de Wit, an 18th-century Dutch artist likened in his day to Titian, specifically to his vast painting of Moses selecting the Seventy Elders - which lines one wall of the Council Chamber - study drawings of which are now on display below the capves. De Wit excelled in his

Guatemala's Textiles. Fundacion Santillana, Santillana del Mar. Ends trompe l'œil grisailles imitating

as worn by the ordinary folk of town and country in the period 1500-1940. Illustrated with many surviving pieces, the evolution in design is further traced in paintings, prints and photographs showing the dress worn for high days and ceremonies: hantism, first communion, marriage worn for migh days and deremonies: baptism, first communion, marriage and mourning. The greatest variety was in the lace caps and bonnets, often specific to a town or village and richly decorated with bows and ruches. The ornate jewellery, or "peasant gold," reflects growing rural prosperity towards the end of the last century. Ends Aug 31. National Gallery: The first major ret-rospective of the works of 19th-cen-tury American landscapist George Inness traces the artist from the

in different centuries of popular bullfighting scenes); Ceramics - A Form of Plastic Expression gathers

a rich and ample panorama of Spar-ish ceramics by young artists; Inte-rior Voices: 12 Spanish Realism Painters; and Design and Colours of

CHICAGO Madrid, Prado Museum. French, Spanish and Italian paintings of the 18th century. This exhibition from the Prado collection includes works Art Institute: Treasures of Japanese Buddhist Art, the only showing in the Western world of works from the great Todaiji Temple in Nara, Japan, includes 151 statues, hand-scrolls and intricately designed lacnot seen for 15-20 years as well as recent acquisitions. Tiepolo, Bayen, Maella, Paret, Juan Bautista, quered objects from the largest wooden temple in the world. Ends Mengs. Palacio de Villahermosa. Plaza de las Cortes 6. Ends Sept 30. antander. Four exhibitions spon-sored by Fundacion Santillana: Goya's and Picasso's bullfighting (a splendid contrast of engravings painted by two top Spanish painters

Along the Sumida River: Ukiyo-e mas-terpieces depicting Tokyo-ites in past centuries (pre-workaholic times) relaxing by enjoying recrea-tions such as flower-viewing in spring or boating on the river in summer. Ohta Memorial Museum in Harajuku, off Omotesdando Ave-nue. Ends Aug 24.

early influence of French Barbizon landscapes through the develop-ment of his own soft naturalism with dramatic skies dominating roll-ing terrains. Ends Sept 7.

### ECO/Albert Hall

# Max Loppert

The English Chamber Orchestra under Jeffrey Tate came to the Proms on Tuesday with a programme of Haydn, Schu-mann, and Strauss to which the programme of Haydn, Schumann, and Strauss to which the players and their principal conductor ought to have been ideally well suited. Instead, the partnership seemed slightly lacklustre. It was still firm, and lively in patches; but one seldom had the feeling that all the musicians, conductor included, were jointly embarked on a were jointly embarked on a In the Schumann Cello Con-pleasurable exercise in music certo Ralph Kirshbaum was a so strong in many previous Tate-ECO concerts.

there is a lot more humour in the music, ranging from pawky nudges to brilliant sly sallies, than Tate encouraged the orchestructural sleight-of-hand.
In the Schumann Cello Conmaking—a feeling that has been tenderly unforced soloist, a so strong in many previous little too unassertive for an Albert Hall performance of this Untidiness of ensemble could at fault, not the player), and be remarked, on and off, apt to misfire in his highest throughout the concert—unimthroughout the concert—unim-portant at any given moment, a had the suite of Strauss's music little troubling as the moments added up. The opening Haydn symphony, no. 100, was intelligence, but faulty in some of its gently paced, with appreciative distinctions made between rhythmic groups. (though the soltarello vitality of the finale was gently toned down). But seemed on Tuesday.

# 9 PEMEX PETROLEOS MEXICANOS U.S. \$100,000,000 Floating Rate Notes Due 1988 e at Noteholder's Option to 1981, 1982 and 1983)

Zist August, 1986 By: The Chare Manhattan Bank, N.A., London, Agent Bank

In accordance with the lerms and conditions of the Notes and the provisions of the Reference Agency Agreement between Petroleos Mexicanos and The Industrial Bank of Japan, Limsed dated August 7, 1981 notice is hereby given that the Rate of Interest for the eleventh Interest Period has been fixed at 674,99 pa., and that the interest payable on the relevant interest Paymont Date February 19, 1987 against Coupon No. 11 will be U.S.\$32903 and has been computed on the actual number of days elapsed 184 divided by 360.

August 13, 1986 By The Industrial Bank of Japan, Limited. Reference Agent Singapore Branch

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# **FINANCIAL TIMES**

BRACKEN HOUSE, CANNON STREET, LONDON EC4P 48Y Telegrams: Finantimo, London PS4, Telex: 8954871 Telephone: 01-248 8000

Thursday August 21 1986

# Problems of an A S BRITAIN'S academics research projects, and aggressive efforts by some universities to protect and market their to perform a specific to protect and market their topic topic and appropriate their performance of the performa offshore island

THE BRITISH economy is not guesses at unrecorded output THE BRITISH economy is not doing particularly well at the moment, as is well known, and this fact is naturally reflected in the National Institute review; abut while in past years such a situation would have provoked a call for a change of policy—usually an incomes policy—coupled with more or less domestic stimulus—the tone on this occasion is something close to fatalistic.

Second in the conomy is not guesses at unrecorded output all years all years and thereful picture, because two series which are quite accurately recorded show what is slowing the economy down; flat or declining exports and investment. The North Sea is of course the main culprit here. The drop in the value of oil is sharply depressing investment, as can be seen from the problems of the offshore suppliers.

Some improvement is expected in 1987, mainly because it is hoped that the growth of world trade will resume next year. But if world trade remains flat, the review in the control of the c implies, there is very little a UK government could do about it; the domestic economy would remain flat, too. The only strong recommendation is that Britain should support US calls for West German and Japanese

suggested by those parts shown in the official statistics. There was a good deal of publicity last week for a suggestion from Oxford that the industrial output figures were still biased downwards, in spite of official effort to allow for past bias. The rise in vacancies and the Favourable winds skill shortages seem to support this view, as does the buoyancy of profits and of government revenue. It is also clear that some partly unrecorded sectors of the economy, notably house improvement, are enjoying a boom, reflected in sales of the

### Undue risk

It must be hoped that some such distortions do exist, for if the official figures are right, it is clear that the rise in real incomes which is the main sup-port for the economy at the Pessimism, but helplessness. underlying trend. Real incomes at the moment benefiting from a once-for-all improvement in the terms of trade, rather than in production.

Not even the most optimistic overdue, will concentrate more attention on what can be done to improve the internal working of the economy, and so to take better advantage of any favourable winds that do happen to blow.

and has also cut output since the oil market is so weak. The non-oil economy is doing a little better, but is still con-strained by the slackness of international trade.

The Government can little to offset these depressing influences from the outside world, because the balance of payments is now far from robust—the forecast is for a deficit in 1987 even if exports west German and Japanese expansion.

It is true, of course, that some observers believe that the UK scene is rather brighter than is suggested by those parts shown in the official statistics. There fall sharply against most com-petitors without undue infla-tionary risk; the review notes and approves what has already

The fall in the exchange rate is rather recent, and it may not be fully reflected in the fore-casts in the review; it is certainly not reflected in the very gloomy export reports re-cently collected by the Con-federation of British Industry, and the still gloomier (and more out-dated) surveys by the chambers of commerce. This reinforces the case for hoping that 1987 will show some up-turn. All the same, the strongest feeling aroused by

moment cannot be long sustained. This is indeed the dependent part of the whole National Institute view; the western economy, with only forecast for 1987 shows a rapid limited control over its general convergence between sugary property of the convergence between sugary property of the convergence between sugary property of the convergence of th

puses.

Its Office of Technology LicensThe co-operation has generally ing, established in 1970 to capiwon plaudits from leaders on talise on university inventions, both sides of the fence, but it will generate another \$5m in is not without its problems. The earnings on licences covering tangled relationships of university faculty members who split cloning technology and a sound their time between the campus and company laboratory, industry's shorter time horizon in the earnings on licences covering earnings on licences covering such diverse areas as DNA cloning technology and a sound synthesis system for electronic musical instruments.

Its administrators are un-

# US UNIVERSITY RESEARCH

# Industry foots a vital bill

By Philip Stephens in Los Angeles

FUNDING FOR UNIVERSITY R&D

FEDERAL

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at each other across a chasm of invention mutual distrust, business and friction. universities in the US are busy forging a new partnership. The shared aim is to cling to their scientific and technological

lead over other western nations, particularly Japan, and the process is changing both the way the universities conduct their teaching and research and industry's approach to innovation

Strong links between education and business in the US date back to the last century with the establishment of "land-grant" universities which tasked directly with formers worked directly with farmers to boost agricultural productivity.

The collaboration was further enhanced in the years of rapid technological advance immediately after the Second World War, when the first industrial parks on the edges of university campuses were established at such places as Stanford in Northern California, and at the Massachussetts Institute of Technology (MIT). The chemical engineering curriculum at MIT, for example, was carefully tailored to the needs of industry, while Stanford's industrial park was the birthplace of Silicon valley.

But a huge increase in federal funding of research and development in the 1950s and 1960s, tough anti-trust legislation and fierce competition between different companies working at the leading edge of technology progressively weakened the ties.

### Business and the campus are back in partnership

Now, a decisive shift towards defence in the growth of federal funding, Japan's rapid erosion of America's traditional scientific lead, and a relaxation of anti-trust laws have driven professors and executives back into partnership.

For the universities it has

meant a rapid increase in industrial funding of research and development, which has nearly doubled in real, or inflation-adjusted terms, since 1980. For the companies providing the cash, the return is closer access to the country's top scientists, a role in shaping the direction of research in such areas as com-puter science and genetic engineering, and a chance to hire the brightest graduates.

and biotechnology district centred on

inventions, are all a source of

Efforts by the universities to establish a uniform framework for such collaboration to protect their academic integrity have resulted in only the loosest of guidelines, with competition for funds tempting some faculties to quietly sidestep their prin-

The Washington - based National Science Foundation estimates that industry will spend around \$600m in university-based research in 1986 compared to \$235m years ago. This year's figure will still represent only a small fraction—around 5 per cent—of the universities' total R & D outlays, but will nonetheless play a pivotal role.

According to Mr Marvin Goldberger, the President of the California Institute of Technology (Caltech), private secur nology (Caltech), private sector funds are frequently crucial in allowing universities to buy sophisticated equipment for advanced research which falls outside the ambit of routine federal funding. In the laissez faire atmosphere of President Reagan's Washington, a commit-ment by industry to support a project can also be used as a powerful lever to get matching

government support.
At the Berkeley campus of the
University of California, Mr
Roderic Park, the Vice-chancellor, says that industrial support has been essential to the quality of the university's research and teaching over the past decade. Funds from IBM, Digital Equipment Corporation and a con-sortium of Silicon Valley electronics companies have financed the construction of a sophisticated microfabrication facility, and the electronics industry is now helping to fund a major computer-aided design labora-

At Carnegie-Mellon, IBM is pouring more than \$30m into what Mr William Arms, the vicepresident for academic services. calls one of the "definitive pro-jects in computing, a mile-stone." The university's Information Technology Centre, which aims to create a new computer network as a standard system in higher education, "is the sort of programme you just cannot imagine at Cambridge, Edinburgh or Canterbury," he

Stanford, whose establishment of an industrial park just after the war with such early tenants and former students as William Hewlett and David In the process new industrial Packard marked the beginnings parks—like Research Triangle of Silicon Valley, has profited Park in North Carolina and an as much as any university from industry's search for new ideas. This year it expects to re-Pittsburg's Carnegie - Mellon ceive up to \$10m, or 5 to 6 per University—are being estab- cent of its research budget, lished around university cam- from private sector companies.

> Predictably among the main sponsors of university research are giants like IBM, Digital Equipment Corporation, Hew-lett Packard, Monsanto and Du

1980 1981 1982 1983 1984 1985 1986 SOURCE: RATIONAL SCIENCE FOUNDATION equivocal about the benefits. Mr Pont, which aim to supplement Neils Reimers, the Office's their huge company-based redirector, says Stanford has always felt that close links to grammes. But smaller

ways felt that close links to grammes. But smaller industry form an essential part companies, with far less in of its role as they provide the terms of their own facilities for channel for the university to long-term research are also transfer its ideas into the being attracted to the universities, frequently in consortia. public domain. Inventions now number about two per week, and the university has issued The Semiconductor Research Corporation, established in North Carolina in 1982 by a hundreds of licences covering consortium of chipmakers and computer companies, now chan-

at least 80 technologies. At Stanford, as elsewhere in cash is channelled into the computer science and engineer-40 universities to advance research in semiconductor design and production. Contri-butions from its 36 member faculties, and into the biological sciences. Those fields companies range from the \$1m or so each year provided by Intel Corporation to perhaps a \$100,000 from some of the offer companies the most direct potential for the transfers of technology from the campus to the corporate development smaller members.

1980 1981 1982 1983 1984

The aim of such funding, says Mr Alan Baldwin, an executive at Intel, is not short-term, but to generate the fundamental level of under-

the universities have become more sophisticated in capitalising on the partnership — by hiring patent officers to protect their intellectual property rights, by establishing nonprofit organisations with a stake in the commercialisation of inventions, and occasionally by inviting venture capitalists

onto the campus.

In parallel, ocademics have sought to establish guidelines for co-operative ventures with the private sector, a process spurred by an abortive move in 1980 by Harvard to establish a profit - making company to exploit its research in recombi-

expirit its research in recombi-nant DNA. That incident prompted a faculty revolt at the university and an attempt by the main campuses to estab-lish a set of common rules to govern their relationships with industry. Among the most important of

such principles is that the university should always retain the freedom to publish the results of research, even if it is wholly funded by industry.

The natural tension between industry's desire for secrecy to protect its commercial interests and the open ethos regarded as vital to university research has, however, produced some dubious compromises.

In some instances universities undertake not to publish material until the sponsoring company has been given time to assimilate the results. That typically might be between 30 and 60 days, but according to the vice-chancellor of one university: "there have been cases where these have simply not appeared on library

In the face of strong pressure from industry, many univer-sities have also dropped their previous insistence that they will grant only non-exclusive licences for inventions arising from joint research. Com-petition for major projects between the prestigious universities is intense, giving business a strong bargaining position. "Everyone has a price," is the candid comment of Mr Park at Berkeley.

By and large, faculties have stuck with their long-standing insistence that they should retain the intellectual property, or patent, rights arising from joint projects, but even here forced them to give up academic there are chinks. IBM, for example, has kept considerable rights over the project at Carnegie-Mellon.

There is also a broader question mark over whether the tion mark over whether the universities are being nudged into shortening their time hori-sons and neglecting basic re-search in response to pressure from industry for quick results. Most university administrators say it is a pressure that can be resisted, but others are concerned that the "fashions"

standing which will be needed to produce computer chips two generations ahead of the present devices. "We are looking to the universities as a source of generalised imnovation... the benefits will accrue over the next 10 years not the next six months," he adds.

As the money has flowed in, the product of the science of

If there are institutional tennions between universities and business, there are also difficult tangles involving the people, as academics sock to cash in on the commercial applications of their work.

cash in on the commercial applications of their work.

American academics have a long tradition of conducting part-time work for private sector companies or moving out of the universities to set up their own enterprises. Scores of businesses in the Route 128 high-technology district outside Boston and in Silicon Valley were established by faculty members from MIT and Stanford. ford.

But the explosive growth of small bio-technical and genetic engineering companies in par-ticular, have generated an even closer set of interlocking re-lationships over the past few years. A recent survey of 3,000 science and engineering faculty members across the US suggested that one in 25 had a direct ownership stake in com-panies they performed work

The potential for conflicts of interest are enormous: lec-turers using university time to undertake research linked to their own companies' commer-cial interests, perhaps neglect-ing their teaching or directing graduate researchers in directions aimed at benefiting those

### Competition for major projects is intense

companies: or faculties under-taking research and granting licences to companies in which staff have a direct stake. Most universities have regula-tions to keep such relationships

at arm's length and there are notable examples where both sides appear to have profited.
Mr Paul Djerassi, the father of
the birth control pill, has
successfully combined a job as
a professor at Stanford with an enterpreneurial career, first with Syntex and more recently with Zoecon.

There have been several instances, however, in which faculty members at major universities have muddled the line between legitimate business activity and their teaching responsibilities. In some cases, pressure from their peers has but the vagueness of many campus guidelines has

13: 10

Despite these problems, there are few in the universities who would want, or predict, any diminution in industrial sup-port. The links are seen in providing a vital bridge in remedying a key weakness of the past two decades—the failure of the US to translate its far-reaching discoveries into useful products while Japan has done just that.

# No winners in the Gulf war

or Iraq to secure a military whatever the human cost, to breakthrough in nearly six years of the Gulf war has placed

So long as that finish does increasingly heavy burdens on the economies of both coun-tries. The collapse in the price of oil has intensified those pressures to the point that more desperate remedies may be sought in a last-ditch effort to bring the conflict to an end.

Iraq's air attack last week on Iran's oil terminal at Sirri and the intensification of raids on industrial targets is in part a response to Tehran's continued military build up in border areas for what could be the long-threatened "final offensive." Opinion in Tehran is still divided over whether to undertake such a gamble or to contake such a gamble or to con-tinue with the series of limited attacks in the hope that the morale of the regime in Baghdad will finally crack and President Saddam Hussein will be replaced by a government more to the liking of the Islamic Beniblic

### Largely forgotten

The decision could swing either way, with Western governments having all too little ability to influence the outcome but every reason to be anxious about the possible consequences. The Gulf war has not been a conflict in which there has been strong desire to take sides. Neither regime is remotely advantage. attractive to the world's democracies but their potential economic weight and key strategic position dictates a close Western interest in their political evolution.

Since Iraq's ill-judged decision to invade Iran, the Government of President Hussein has been forced through economic necessity to move closer to the West. It is no longer among the most hardline of Arab states and seeks good relations with moderate neighbours, especially Saudi Arabia and Kuwait, without whose financial aid the war could not have been sustained. However, domestically it has not eased its tight political grip on the country where any hint of dissidence is still harshly repressed.

Little has changed outwardly elicit Soviet support for such in Iran to cause Western an approach as super-power misgovernments to change their understandings can only exacerperceptions about either its bate what is already the most domestic policies or its intention of seeking wherever possible to sponsor Islamic revoluleft in any doubt about the tion. It has consistently refused potential costs of achieving to negotiate a settlement to the

So long as that finish does not mean an Iranian victory, political or military, it has been a situation with which regional and international powers have stretches the war has been largely forgotten. Only when there has been a period of intensified fighting has there been much attempt to focus on what would follow an end to hostili-

It would be better, sooner rather than later, for the Western alliance to reach some form of understanding on what its response should be to an emphatic Iranian breakthrough -or, alternatively, the implica-tions for Iran of a major reverse following the failure of its socalled final offensive.

Either way there are dangers.

A buoyant, victorious Iran would cause an emphatic swing in the balance of economic and political power in the Gulf, posing threats to governments friendly to the West, and provoking a shift within the Organisation of Petroleum Exporting Countries An em-Exporting Countries. An emphatic defeat for Iran could lead to a realignment of forces within that country and a fresh scramble for power in which both the US and the Soviet Union would seek to gain an

During the past few months the impression has been grow-ing (with little factual support) that Iran might be gaining the upper hand militarily. Sethacks for Iraq in the Faw peninsula and at Mehran have been offered as evidence that Bagh-dad could be close to collapse. If credence is to be given to such assessments the need for a concerted Western response is imperative.

It has to be made clear to Iran that any further and sub-stantial advances into Iraq would draw a hostile response from the industrialised nations particularly in terms of trade and economic co-operation. Every effort should be made to

# Maxwell and the

"How the Hell do you talk about National Hog Farmer when someone asks what you do at a cocktail party?," Robert Haugan, the former chairman of the Minnesota-based Webb Printing and Publishing group, once complained to a journalist interviewing him viewing him.

**Hog Farmer** 

"Guess we will have to do it with profits," riposted Robert Sallman, who succeeded Haugan as president and chief executive in 1984.

Now both Haugan, aged 69, who remains a Webb director, and Sallman, aged 55, have something else to talk about—Robert Maxwell's \$111m buyout bid for the St Paul group, whose other major publications include such rivetting reading as Beef, and The Family Handyman (a once-ailing home man (a once-ailing home improvement magazine which Haugan picked up for \$1m nine years ago, and turned into Webb's biggest magazine success).

Last month Webb's management put the 104-year-old St Paul group on the auction block and hired Shearson Lehman Brothers to find a buyer. Enter Maxwell and his British Printing and Communications Corporation, which yesterday offered to acquire Webb for \$16 a share in cash.

Maxwell recruited Jack O'Hara, the 58-year-old former chief executive of Readers Digest to mastermind the expansion of his US operations early last year.

And the day after Webb was put up for sale, the British publisher lost out in the bidding for Scientific American, publisher of one of the world's most famous scientific maga-

zines. Webb has mostly been a solid if uninspiring performer. The group's revenues have grown at an annual 7.9 per cent rate over the past five years, while profits have grown at an annual 6.7 per cent despite a slight down-turn last year.

But that too could be changing. Webb derives about threequarters of its revenues not tions they can expect to share from magazine titles but from more than £1m for their first its printing presses churning year's work up to October 1987. former west co out TV guides for the Midwest, Out of that total largesse Buckland Abbey.

# **Men and Matters**

phone books, and mail order Unfortunately, Webb's con-

Unfortunately, webb's con-tract printing business is facing highly competitive pricing, and recently lost several major pub-lication contracts at the same time that its magazine publishing business, in spite of attemots to diversify, is still closely-tied to the depressed agricultural economy.

Earlier this year, when Webb

announced the sale of its small insurance business, the group gave a warning that 1986 earnings were likely to be significantly lower than last year. Nevertheless Sallman, Hau-gan, and other officers and directors, could emerge rich men from a deal with BPCC. According to the group's latest proxy statement, officers and directors hold over 18 per cent of the stock and Webb's stock jumped \$12 to \$15.50 a share in

early trading yesterday. If Maxwell's bid succeeds Haugan and Sallman could have the perfect cocktail-party response.

### Cassels' drum

land and Wales as its first director general,

TSB Group is setting up four charitable foundations as part of its share flotation. They will cover the group's four banking areas of England and Wales, Scotland Northern Isoland Scotland, Northern Ireland, and the Channel Islands. The intention is to support a broad range of charitable objectives within each territory.

With 1 per cent of the group's average profits before tax being earmarked for the four founda-



Three of the Young Conservative magazine. . . .'

Cassels can expect to be handling more than £700,000 for his, the biggest, foundation. While chairmen and boards A seasoned seaman, Admiral Sir of the four foundations Cassels is the only executive director yet to be named.

As Chief of Naval Domain Cassels is the only executive director yet to be named.

As Chief of Naval Domain Cassels is the only executive director yet to be named.

As Chief of Naval Personnel, until he retired this year, he vas responsible for coordinating the Royal Navy's charitable activities. That included a spell as chairman of the £15m South Atlantic Fund which was created from public donations to help those wounded or killed in the Falklands campaign, and their dependence. their dependants.

He will be in a position to sound Drake's drum for the TSB charities if more support is needed. For he is also chair-man of the Sir Francis Drake Heritage Appeal which is raising £500,000 to restore Drake's former west country home,

# Give and take

British crooks are adding practical psychology to their armoury.

A couple had their car stolen

only to find it returned the next day. Inside was a note saying, "Sorry we had to take your car, but my wife was having a baby and we had to rush to the hospital. To com-pensate you for the incon-venience please accept the two theatre tickets enclosed."

The aggrieved pair were duly mollified by the gift and had a good time watching the play. When they returned to their house that night it had been ransacked from top to bottom.

### Casual work Lyons, France's south-east

metropolis, prides itself not only on its bonne cuisine and thriving high-technology indus-try, but also on the smart and sober appearance of its citizenry. And that must go for taxi-drivers as well, the city

Francisque Collomb, mayor, who prefers a deep-blue suit even on the hottest of summer days, is mounting a crackdown on casual summer wear by Lyons' 1,300 cab-drivers, claiming that their shorts and T-shirts are tarnish-

ing the city's image.
The city hall has sent a circular to drivers warning that fines will be imposed on any cabbies caught—even during the dog-days of sweltering August-not wearing long trousers and a conventional shirt.

The city claims that com-plaints have been flooding in during the summer over taxidrivers' relaxed garb. The mayor's staff points out that the cabbies have a role to play in Lyons amage building.

### Hair of the dog

A friend has just received a receipt for his fire insurance premium, Enclosed with it is a pack of bookmatches advertising the insurers.

*Observer* 

# The Royal Oak AVAILABLE THROUGH THE FOLLOWING LEADING JEWELLERS: ASPREY, CHAUMET, GARRARD, GRAFE LONDON HILTON, MAPPIN S. WEBB AND DAVID MORRIS. ALSO AT THE WATCH GALLERY. FOR FURTHER INFORMATION: AUDEMARS PIGUET, 5 HANOVER STREET, LONDON WIR 9HH.

THE WORLD audio industry is in trouble and, for the first time in a long time, the Japanese are in a sticky

The turmoil centres on a device so small you could fit it in the palm of your hand, It is called the digital audio tape (DAT) cassette. What happens to DAT over the next happens to DAT over the next few months is not only of crucial concern to the music business (and music lovers) worldwide. It also promises to become the latest in a series to become the latest in a series of increasingly acrimonious trade disputes between Japan and the rest of the world. But this will be a trade dispute with a difference. For once the rest

DAT is the first audio product primarily created and developed by the Japanese; it will offer high quality sound equat to that of a compact disc with the advantages of its small size and the fact that it can be used for recording. for recording. Born out of a blend of video-cassette, compact disc and semi-conductor tech-nology, the DAT players will chop music into bits, memorise it and then play it back with virtually no distortion or audio flutter. At least four leading companies have the facilities to turn out DAT equipment as of turn out DAT equipment as of tomorrow. And many people in the industry think that when the product is introduced, it will render the conventional audio cassette obsolete, much as the compact disc is currently supplanting the long-playing

The fledgling CD market may also come under serious threat both because the launch of DAT may capture consumers who would otherwise have purchased a CD player and because of the threat that it can be used to pirate CD recordings.

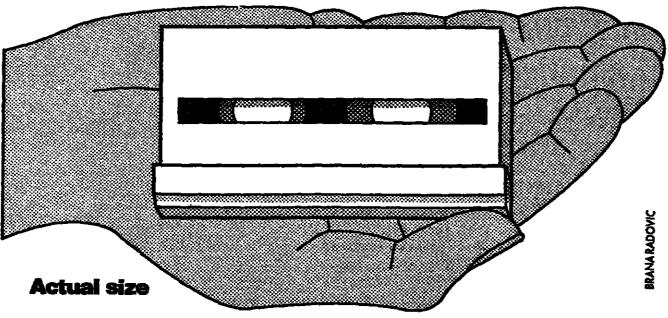
So it was something of a

shock when Japanese companies recently announced that they had "indefinitely postponed" their planned autumn launch of DAT. However, to those familiar with the Japanese business landscape, it is already clear that this tacit restraint agreement will not stick. And when the Japanese do plough into the new market—probably within the next few months there will be merry hell break-ing loose in the music industry. In a paper sent to the Euro-pean Commission earlier this year, the International Federa-tion of Phonogram and Videogram Producers (IFPI), the London-based trade association representing 640 music companies worldwide, states: "If DAT were allowed to make an untimaly and disorder to produce the states of the long trade of trade of the long tra DAT were allowed to make an untimely and disorderly appearance on the market, it might be the final blow to the recording industry." In seeking the Commission's help to restrain the Japanese, the paper claims that DAT could supersede and render obsolete the compact disc." If our genuine der obsolete the compact disc." If our genuine pleas for help and understanding on the timing for DAT introduction. The Western music industry is proposing a fairly radical solution. It wants all DAT players to include an anti-

DIGITAL AUDIO TAPES

# The tiny challenger

By Carla Rapoport in Tokyo and David Thomas in London



have not reached the point that an act of bad faith," said where they have recouped their development costs or made up for displaced sales of LPs.

Within the last year or so, however, sales of CDs have started to take off. From 50m displaced to take off. however, sales of CDs have started to take off. From 50m discs

ted to take off. From 50m discs

sold last year, this year's sales

could reach 125m, according to

BIS Mackintosh, business consultants. Japan, which domintates the CD player market
worldwide, is expected to sell
10.5m units this year, and 16.5m
units next year. The major units next year. The major manufacturer outside Japan is Philips, which has more than moans an executive in the #100m invested in player Japanese electronics industry.

"We included Philips and But perhaps of most import-Thomson-Brandt in almost all

capacity alone.
But perhaps of most importance, the IFPI alleged that DAT will give further aid and comfort tual legislation in this area, the he adds. organisation warns, and it cannot afford to have products on the Europeans and the US come the market that will allow to the bargaining table with consumers to tape their friends more than political clout behind

to make pre-recorded DAT cassettes in the first place. "It would be a terrible mess,"

ance, the IFPI alleged that DAT in meetings on DAT standardwill give further aid and comfort isation, but these representation the growing ranks of audio pirates, on both the commercial and domestic fronts. The international music industry is already burdened with ineffectual legislation in this area the

For once, then, it appears that CDs at a fraction of the cost them. The IFFI is currently and almost no deterioration in quality.

The IFFI paper complains of of Japan to discuss its demands,

piracy "spoiler" that would interrupt the taping of pre-recorded DAT cassettes and recorded DAT cassettes and CDs at regular intervals.

Mention the word spotler to Japanese engineers and their eyes glaze over. Privately, they view the spotler as a kind of musical chastity belt that would work against the very purpose of DAT, which is to record music. Publicly, officials take a less emotional view. Mr Massaki Morita, deputy president of Sony, says: "Of course it is necessary to take care of the software people by putting the software people by putting in some device to prevent piracy. But it's very difficult to find a perfect device."

Nonetheless, all the companies ready to go with DAT (Matsushita, JVC, Sony and Sharp) are already planning to market DAT players in combination with CD players. The thought is that this equipment will players the will ultimately replace the popular LP-audio cassette deck. As most consumers use their audio decks to make tapes of audio decks to make tapes of their records it is only logical to assume that they would want the new equipment to perform a similar function. However, Sony executives well remember their costly and time-consuming fight to win the right for home video taping. They won that tary from a customer point of the industry has the stomach for another protracted battle in foreign courts.

see little reason to delay DAT any further.

Indeed, Philips of the Netherlands, which has been part of the delay-DAT campaign because of its large commitment to CDs, says that tary from a customer point of view. Philips, which is also a major music publisher, says that software remains the main problem. Mr Bhaskar Menon, chair-

Instead, the Japanese indus-Instead, the Japanese industry has approached DAT from a different position—one which many think will ensure their victory in the DAT wars to come. The format battles of products like video tape recorders — where companies competed in the marketplace to ensure that their product should be regarded as the standardised format—are still recent memories for the Japanese. Although DAT players were shown at a Tokyo players were shown at a Tokyo trade fair as early as 1980 by stade fair as early as 1900 by Sharp, the pioneers were persuaded by their colleagues to hold DAT back pending an industry-wide standards and specifications agreement. That agreement, at a preliminary stage earlier this year, was signed by more than 80 companies around the world and is expected in he completed by expected to be completed by the end of the year.

With the agonies of format standardisation all but com-pleted, the Japanese inwardly see little reason to delay DAT

man of EMI Music, puts it most succincity: "The major issue in our minds is the potentially annihilating impact on the software (music) industry." Some in Japan are expecting just that. The Japanese have a in-built lack of respect for the music publishing business. In Japan, the industry is largely a decorative subsidiary activity of the big hardware manufacturers. Artists, or talento's, as they are known in Japan, come and go with alarming frequency and are kept on salary contracts, not percentage deals. As a resuit, a hardy Japanese company could push into the DAT field without the support of pre-recorded software from the West.

Whether DAT is marketed by the percentage deals.

the support of pre-recorded software from the West.

Whether DAT is marketed by its hardware first, or together with the music publishing industry's software, there are some important reasons why it should be done sooner rather than later from the Japanese point of view.

These reasons are largely economic. First, prices of CD players have failen so dramatically that margins have all but disappeared. Profitability remains on the disc production business, but this is not expected to last long as CDs move into more general use and competition increases. Even more pressing for the Japanese, however, is the rapid appreciation of the yen and its effects on export margins. In a commodity business like audio products, Japan is no longer able to compete with output from countries like Taiwan, Singapore and South Korea. The audio equipment makers are rapidly shifting their own production to these countries, while trimming output at home. As the Japanese are extremely keen to keep employment cutbacks to a minimum, they need new products to put through their employment, cutacks to a minimum, they need new products to put through their production lines at home.

Matsushita Electric, for example, could afford to lose money in its audio division for the country of the count

money in its audio division for 10 years without any trouble. It is the middle-sized players such as Sharp and Sony that observers have their eyes on. Sony, in particular, is proud of its image as a pioneer in the audio-visual fields. A senior engineer of a rival company put it like this: "This issue is not only politics. This is high technology. Not everything is scheduled with technology. If someone else gets there first, you lose face and you stand to lose money."

lose money."

Mr Hiroki Shimizu, deputy general manager and engineering general manager of one of JVC's key audio plants, adds: "DAT is a dream machine. Ever since the transistor was invented, we have dream; of a machine that could record without distortion, with quality simiout distortion, with quality similar to that of a recording studio."

A dream machine it may be, but it will almost certainly cause nightmares in the music publishing industry.

# Lombard

# High-tech trigger for the Big Bang

By John Plender

AS THE Big Bang creeps up remorselessly on the City of London, pockets of revisionism can be detected in the murkier corners of broking and jobbing parlours. Was the whole thing really necessary, they ask, as senior staff wrestle with new systems, new owners and a new regulatory framework that appears to assume—perish the thought—that City folk are as frail as the rest of us?

Special pleading, no doubt,

Special pleading no doubt, but a good, heretical question which calls for a tentative exploration of what might have happened if the Bank of England had not urged the Government to halt the Restrictive Practices to har the Restrictive Practices Court case against the Stock Exchange and to demand the abolition of fixed minimum commissions.

The Bank's lobbying in Whitehall is said to have reflected a determination to prevent London losing its competitive London losing its competitive edge as a financial centre through weakness in the securities business. Its concern was prompted partly by the emigration of dealing in leading British equities to New York; partly by the way in which the great British portfolio exodus after the lifting of exchange controls in 1979 bypassed British securities firms; partly by fears of declining liquidity in the gift edged market.

Since the key to London's competitive position in securities lies more in the thriving Euroboad market than the much smaller Stock Exchange, the external threat was scarcely overwhelming. But certainly London risked losing further UK equity business to

certainly London risked losing further UK equity business to other financial centres because of high dealing costs.

Note, though, that the cause of London's competitive disadvantage was the Government's own stamp duty. On large equity deals London commissions were not conspicuously more expensive than New York's, especially if any value was attributed to brokers' research into UK companies. Yet New York had benefited from the complete abolition of

instantly eroded. Equally im-portant, the exemption from stamp duty enjoyed by Stock Exchange jobbers would have ceased to afford protection from competitive market makers out-

Much business in shares such as ICI, Jaguar and Glaxo would as ICI, Jaguar and Glave would have returned to London—but uot necessarily to the Stock Exchange. To the extent that outsiders, such as the big Eurobond houses, were prepared to undercut the Stock Exchange's fixed commissions, a professional market would have developed outside, with no rigid distinction between lobber and broker. Other things being equal, the Stock Exchange would have continued to offer better investor protection but

better investor protection but declining liquidity.

This is, inevitably, hypothetical but it does serve to remind us that technology is the real motor behind the the real motor behind the present changes in the securities markets. By eroding barriers of time and place, it has highlighted cost differentials between financial centres and undermined the monopoly of price information enjoyed by traditional exchanges. Dergulation and reregulation simply act as an accelerator and brake on the process

the process.
It follows that the main effect of the Government's deal with the Stock Exchange has been to reshuffle the returns on London-based securities business between different business between different London-based players. British and foreign banks have been encouraged to spend a fortune buying out firms whose monopoly was being undermined and whose chief assets, people, were outwardly mobile. Deregulation also encouraged member firms to invest in new technology to get back into the international securities international securities business. And it has made the Old Lady's life easier in the gilt market.
For those who sold out, gratitude to the Bank is surely

a more appropriate response Yet New York had benefited a more appropriate response from the complete abolition of than revisionism. For the rest taxes on securities dealing in of us there remains a nagging doubt: why does it matter whether equity business is done ment that the Government had by British or foreign houses left the Restrictive Practices on or off the Stock Exchange Court alone and simply abolished stamp duty. New York's employment and pay British cost advantage would have been

### A feast for lawyers

Association of Consulting

Sir,—The article by your legal correspondent (August 14) makes terrifying reading. It illustrates vividly the lack of clarity which existed in the law on latent damage and which will persist now that the Latent Damage Act 1986 has been passed.

passed.

Dr Hermann correctly states that the definition of the law "is good for lawyers but hardly anyone else." He relates how anyone eise." He relates now three eminent Law Lords inter-preted the law differently. He even reveals that he does not himself understand the effect of the new law nor appreciate that the Bill which was before Parliament is now an Act. He consequently could not report that in the final debate in the Upper House two even more learned Law Lords could not understand the final wording of

Throughout the Bill's passage through Parliament this asso-ciation in company with others ciation in company with others strove to assist government to achieve the clarity which the Law Reform Committee had put as a major objective for its studies. In the absence of such clarity over half the money spent on settling disputes will continue to be absorbed—with relish—by the legal profession. The association's view is that the owner of a property should take out appropriate insurance after a period of no more than 10 years to cover himself against defects which may develop thereafter. Such insurance will then only have to

develop thereafter. Such insur-ance will then only have to provide the money to put the damage right and not the legal costs of weighing the brilliant and lucid judgements of three eminent Law Lords against each other. Such a procedure could also do something to relieve the clutter in our courts. (Major-General) P. J. M. Pellereau

### Unit trust regulation

From Mr P. Bourdon
Sir,—I was most disappointed to read in your editorial comment on unit trust regulation (August 12) the paragraph containing the phrase "funny money such as options and futures," continuing with a reference to "speculative assets." assets."
Admittedly, one of the uses

of futures and options is to speculate on movements in underlying assets; but they do offer investors the additional privilege of gaining from a falling asset as well as from a falling asset as well as from a rising one. An important reason approach to financial services.

I do not believe that it is the however, is to help the investor business, nor the desire, of the manage the risk arising from commercial real estate professional to give advice on the last 25 years two-thirds of any Grand holding a portfolio of stocks sional to give advice on the last 25 years two-thirds of any Grand Preston's Road, E14.

# Letters to the Editor

and bonds. Futures and option , relative merits of real estate as positions can be designed to hedge part of a fund, establish buying and selling levels in stocks, and increase income; in effect they can reduce the risk inherent in investing.

The impression that these

tools are basically speculative is unfortunately a widespread one, and is responsible for many types of potential investors being refused permission to deal by trustees and senior personnel. Statutory regula-tions, such as those affecting unit trusts, also prohibit a more extensive use of futures and options. This factor has seriously affected the level of seriously anected the level of liquidity, and inhibited the growth of such markets. Paul Bourdon. Greenwell Montagu & Co.

### The property cake

From Mr E. Walters
Sir,—Mr Christopher Walls in
his article "Looking for a slice of the property cake" (August 8) has confused two aspects of the UK property business and in so doing has arrived at an erroneous and extravagant conclusion. That Britain's new financial

That Britain's new financial conglomerates are expanding their ownership of, in the main, residential estate agencies for some of the reasons he succintly states, has very little bearing on the relationship between those mainly commercial property professionals—the the majority of whom are chartered surveyors—and their lack or otherwise of objective advice on real estate investment.

The argument that lack of The argument that lack of quality strategic advice in real estate investment is a major reason for their investment in these mainly residential agencies is quite ludicrous. The supposed benefits to be derived from the integration of other financial services with real estate brokerage is far from proven and may yet prove to be a mirage.

mirage.
It is interesting to note that raised in the US on the experience of both Sears and Merrill
Lynch with their real estate
brokerage services and in particular of the supermarket
approach to financial services.

I do not believe that it is the

opposed to other forms of investment, for even Mr Walls admits that in his organisation he is surrounded by experts in their various fields so that in due course investment decisions can be made by the professional managers based upon those reports and their own investment criteria which of course vary widely from one institu-

tion to another.

It is not the purpose nor the intent of the real estate professional to try and compete with the investment bankers and others on total investment philosophy but to do what he does best—advise on and imple-ment the strategy of a com-mitted investment policy in real estate to ensure maximum returns to the client. returns to the client.
In the main, the UK real estate professional with whom I have been in contact gives a very high standard of both strategic and detailed advice but that is not to say that educations of the standard o

tional standards cannot be improved in such areas as market research, economics, finance etc. thereby improving standards even further. Eric Walters. Virginia Financial Plaza, 301 East Virginia. 4200 Phoeniz. Arizona 85004, USA.

### Sponsorship and sport on TV

From Mr P. Mann
Sir,—Come off it Dr Dawson
(August 14), if you want to be
more effective in your antismoking campaign (and I'm very anti-smoking), it's no use bleating about the money the tobacco companies are spending on promotion. Instead, start marketing your product like your rivals do, by, among other things, being heavily involved with a tele-

visual sport which you can sponsor. Not only will you have the Not only will you have the opportunity of proving whether sponsorship is about brand thare or getting new customers (the latter being your argument), but — just as important — if you choose to sponsor a Grand Prix racing team in the style that John Player and Mariboro do with Lotus and McLaren, you'll be positively helping British engineering for both these teams being British based.

made up of British teams. Per-haps, therefore, Dr Dawson and his colleagues at the Tritish sor McLaren while the CBI or an appropriate engineering trade union can help Lotus. Indeed, some of the hard work and brilliance which goes into producing a Grand Prix car and producing a craim Frix car and preparing it and the team for a fresh challenge every fort-night during the height of the season, might rub off onto union members and improve their work performance. . . . Peter Mann. 45 East Hatley, Sandy, Bedfordshire

# The GCHQ

From the Branch Secretary, GCHQ, Society of Civil and Public Servants

Public Servents
Sir,—Your leader (August 14)
described the Government's
latest move in the GCHQ affair
as a "climbdown."
The offer of a "review" of
the severe financial penalties
imposed upon our rejoined
members (no doubt to produce
a magnanimous and alreadymembers (no doubt to produce a magnanimous and already-fixed reduction) is an irrelevance. The fines were made for an offence that does not exist within the civil service disciplinary code; namely, membership of a free trade union. We completely reject the abuse of served arready. union. We completely reject the abuse of agreed procedures so what is the point of reviewing the results of that abuse? The article mentioned that our rejoiners are safe from further action before the next General election; our members who never left are similarly reprieved from dismissal in that period. We hardly see this as a climbdown! Don Clarke.

22 Clarence Street, Cheltenham, Gloucester.

### Expanding railway

From the Managing Director. London Regional Transport Docklands Light Railway

Docklands Light Railway
Sir,—Light railways are more
flexible than traditional railways and can more easily be
adapted to changing surroundings. This is especially true of
London's Docklands Light Railway, but the expansion now
planned (FT, August 11) is on a
completely different cale. completely different scale, and is wholly attributable to one is wholy attribution to one single development project— Canary Wharf. The traffic pro-jections you quoted do not com-pare like with like, but even so this one project is expected to quadruple the use of the rail-

way.

If one of the railway's roles was to stimulate regeneration of the docklands, it is succeeding beyond all expectations even though we are still a year away.

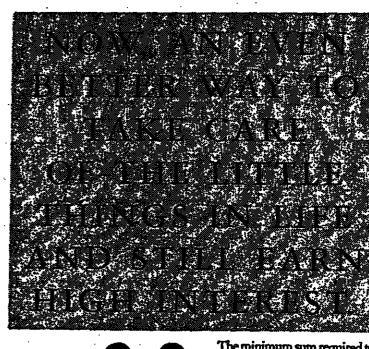
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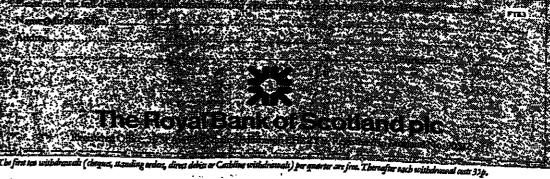


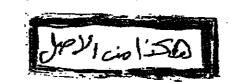
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INTEREST RATE PER ANNUM rect at time of going to pro o variation, interest paid q 10.27% 7.10% The Compounded Annual Rate shown is the Not Rate annualised to take account of the IT ALL POINTS TO

THE ROYAL BANK OF SCOTLAND





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# FINANCIALTIMES

Thursday August 21 1986



# Sell-offs in S. Africa have little impact

cut-based hardware maker, is agreed to bar new investment by among the US companies that their countries companies in South bowed to anti-apartheid pressures Africa, and Mrs Margaret Thatcher, earlier this year by selling its South the British Prime Minister, said she African interests.

Its former subsidiary in Johannesburg is now owned by three ex-Stanley employees - the general supporters of disinvestment have Stanley employees - the general manager, financial controller and sales manager. The name has been changed from Stanley Tools (PTY)

Employees no longer enjoy the benefit of Stanley's pension fund and the sales representatives have become freelance agents able to sell other manufacturers' products.

In other respects, very little has changed. Tuf Tools continues to distribute Stanley products through a long-term distribution agreement with the US company. The manageployees have been laid off.

One of Tuf Tools' new owners says that the former US parent has bent over backwards to help. "Stan-ley didn't want to do this", he says. They hate it. It was all a political

Stanley's former subsidiary is typical of many of the units which have been sold by foreign companies over the past two years in response to political and business pressures to sever links with South

Many more may follow its example as the pressure mounts. A ban on new investment in South Africa is among the sanctions proposed by the US Senate and those being considered by the European Communi-

STANLEY TOOLS, the Connecti- ers at this month's mini-summit would support a voluntary ban.

But instead of helping to squeeze argued it would - withdrawals such as Stanley's appear to have had little impact so far on flows of foreign products or technology.

Because of new according.

ause of new currency restric-

their jobs. It's just that someone else is managing them."

Have the supporters and opponents of divestment, then, misjudged the consequences of corpo-

firm conclusion. Almost all the 63 US withdrawals since the beginning of 1984 have been companies whose operations in South Africa

have said they have no intention of South African distributors for its leaving. But Miss Cooper says that products. some investors who claim in public that they plan to stay are privately exploring their options.

She predicts that pressure is likely to grow on companies not only to sell their operations in South Afri-ca, but also to sever all licensing, technology and trademark agree-

However, the local business community is far more alarmed by the prospect now looming of sanctions

Bernard Simon discovers that for many former subsidiaries of foreign companies it is virtually business as usual

tions imposed by Pretoria a year ago, the remittance of funds to foreign sellers has done little damage

to the balance of payments.

All capital flows must now be channelled the financial rand, the pool of investment currency that has no direct link to the capital account of the balance of payments or to the level of Pretoria's foreign-ex-

By the same token, instead of putting thousands of blacks out of work - as opponents of divestment had predicted - the changes in ownership have made little difference to employment levels.

According to data collected by Investor Responsibility Research Centre, a Washington monitoring group, most foreign companies pulling out of South Africa have sold rather than closed their operations.

An IRRC researcher, Miss Alison Cooper, says: "It is unlikely that those [companies] blacks have lost ployees and little or nothing in the way of local manufacturing facilities. Kidder Peabody, the US investment bank listed as one of the recent withdrawals, has not had an office in Johannesburg for the past

Mr Jacko Maree, general manager of Standard Merchant Bank in Johannesburg, says: "The guys who have gone are ones with little agen-

Standard's mergers and acquisi-tions department has found much less business than it expected from foreign companies looking for local

The true effects of disinvestment can probably only be judged if and when some of the biggest foreign investors - IBM, General Motors, Volkswagen, Siemens, Unilever and the American or British oil companies - decide to pull out.

Several of these companies - Mobil and GM are recent examples -

against coal and steel exports, and expects that the difficulties created by disinvestment can be overcome so long as trade in goods and services is not disconted

The uninterrupted flow of imports and technology is a key reason for the limited impact so far of The withdrawal of Motorola, the

US electronics group, has not stopped its former subsidiary, soon to be renamed Alcom Systems. from continuing to make or import a wide range of Motorola products. Mr Neil Miller, chairman of a

South African computer services company that bought the assets of the US group Bell and Howell, says the Americans remain "committed to their people and their markets here. They are not abandoning us."

Duracell Batteries of the US is

one of the few foreign companies that has decided to close its South African operation, rather than sell it. However, it is now looking for guine view.

Most foreign companies have had no difficulty in finding buyers for their assets. Thanks to exchange controls, South African life assurance companies and other investors are sitting on mountains of cash.

owners has been replaced by another. Cadbury Schweppes, the British confectionery and beverage group, has taken over part of Coca-Beverage Industries, the country's biggest bottler. (Coca-Cola still owns 30 per cent of ABI and South African Breweries also has a large hareholding).

In their hurry to get out, foreign investors have sometimes sold their

Bell and Howell received just \$1 for its loss-making South African subsidiary. The new owners say they have already turned one section of the business round, with profits in the past three months exceeding the budget for the year.

Mr Miller says that one advantage of Bell and Howell's withdrawal is that "we've done away with all the red tape that had to go through to the US. Decisions get made very much faster.

Similarly, Mr Henry Reid, managing director of Amalgamated Beverage Industries, says: "It's pened is that one very large compa-

# Horizon Travel has rebuilt its

market share and reputation from the dark days of last summer, when it attempted to play the gentleman in an industry manifestly operated by players. The push for volume has been successful. This summer, Horizon is carrying almost twice as many tourists and in almost full aircraft; but, as so often with the in-fall as Mr Murdoch took his busi-industrial arguments, yesterday dustry, profitability may have been left on the ground.

Whereas International Leisure, of

THE LEX COLUMN

# VW fills up at the pump

initiatives of Spanish and

RPL Why any investor would want to wait until 1988 for earnings that

and attributable cash, that it might

offer a punt on a healthy market for

secondhand aircraft. This may or

may not explain the interest of Mr

Ron Brierley. But the presence of Bass, with 25 per cent, would inhi-

dripping of news about stock supply has already worn the price down from a DM 675 high in April to DM 509. Fears that the expected rights even after the movement of the issue would be a one-for-four at DM month.

400 for each new preferred non-voting share were hardly calmed by looking forward to decent volumes \$65m cash last Orinber. Elson's the announcement that the ruwage increases may not keep up with peseta appreciation and the moured size of the issue was indeed

correct but that the price had yet to be set. The decision by the Federal Government and the state of Lower Saxony, each 20 per cent holders, not to subscribe means a placing of their rights later on. And after that their rights later on. And after that might already have been competed will come the Government's sale of away is quite baffling. At 120p, up its stake – though at least those shares will have the attraction of count to the value of its aeroplanes

If the share price fall persuades VW to set a greater discount, the rights might raise around DM 2.25bn. But beyond remarks about strengthening the gorup, VW has given little indication of a use for

business as usual. All that has hapthe money. Perhaps after the latest VW recovery the thought of raising ny has sold its shares to another cheap money was just too tempting. large company."

It may be too early to reach a fi-With new stock on offer almos

monthly, the shares will struggle to nal judgment on the impact of dis-investment, but so far South African businessmen are taking a san Tour operators

W. H. Smith

Our Price.

The 16p fall in the W.H. Smith share price to 280p yesterday was more than just the usual profit-taking routine after a run up in front of results. There was genuine disep-pointment as brokers spent their taxi rides back from Sloane Square

It looks as if Volkswagen has a on will be hard pushed to reverse does not help when the market determined strategy to destroy its the £5.4m pre-tax winter loss anjudged that Our Price would make own share price. The continual nounced in yesterday's interims. £2.4m, and considered the deal ex-Results from trading may be little pensive even on that basis. The different from last year's £3m loss, problem is more clear cut in the problem is more clear cut in the case of Elson's. It has made less year end to exclude a loss-making than the financing costs of the deal next summer. But even UK real management is blained, yet the naged by Smith when it told share-holders about the deal. Such inci-Greek hoteliers, who know not the dents make the write off of goodwill

### Turner/AE

A great deal of tinkering, some tightening here and a new part there, has produced a roadworthy profits forecast from AE, but it does not look a very comfortable vehicle. With only six weeks to go until the end of AE's trading year, there are limits to what even such excellent engineers as AE's management can manage in response to the Turner & Newall bid. As it is, the Com-odd increase to £28m (implying an exit multiple of 11.8 on the cash offer) is achieved from changes in accounting practice on the depreciation of d assets and a pension contri bution holiday.

However, neither the profits fore cutting millions off their forecasts cast (with more contribution benef-for the current year. This is slightly its promised) or a glowing testimopeculiar as Smith has met the prof-its target it made when acquiring much to convince shareholders who are growing restless with the out-The problem with Smith is not so look for the engineering sector. For much trading conditions: cutting all the City of London's sympathy wholesale costs to match the short for AE, and doubts about Turner's ness elsewhere is a real achieve- saw the AE share price inching its ment. What is in doubt is Smith's way up towards the value of the ability to make acquisitions. Our Turner cash offer: it closed up 3p at all groups, has sacrificed volume to claw back some margin and should make some money this year, Horiz-not included in these figures, but it ime discount to the 240p cash offer.

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# US printer, agrees Philip Hill terms

BY CHARLES BATCHELOR IN LONDON

formation company, yesterday unveiled the terms of its agreed £355m (\$533m) takeover bid for Philip Hill Investment Trust and announced plans for a \$111m offer for Webb Company, a US magazine pub-

BPCC already has the backing from the owners of just over half of Philip Hill's shares for its bid, but the proposed offer for Webb is still being considered by the US compa-

Mr Maxwell announced on Tuesday that he was discussing terms of an offer for Philip Hill with the aim raise funds for the further expan- per cent, BPCC said.

Philip Hill had been looking for an alternative solution to a proposal from British brokers Barclays de Zoete Wedd to make the trust's investments mirror more closely the stocks in the UK equities indices before winding it up in five years.

Lord Keith, chairman of Philip Hill, said provisional arrangements had already been made to place the trust's largest shareholding - its 1.7 per cent stake in Beecham, the pharmaceuticals group - with a group of UK pension funds.

He said he would stay on to oversee the disposal of Philip Hill's £330m portfolio of shares.

"The liquidation will be orderly and be carried out by me together with Mr Maxwell," he said. "We will liquidate Philip Hill very quickly

Lord Keith confirmed that BPCC had been approached by several international securities houses - beof Japan and Merrill Lynch of the US - keen to bandle the liquidation. "We don't need their help. It is a blue chip portfolio," he said.

The BPCC bid is priced in terms of a percentage of the net asset val-ue of Philip Hill's portfolio, the

BRITISH Printing & Communica-tion Corporation (BPCC), Mr Ro-bert Maxwell's fast-expanding in-BPCC is offering its own shares

BPCC is offering its own shares worth 107.98 per cent of the trust's assets with a cash alternative worth 98 per cent of assets.

BPCC's shares, the offer values Philip Hill at 367.1p per share or £355m for the entire portfolio. BPCC already owns 1.14 per cent

of Philip Hill and has the backing of shareholders with a further 49.17 per cent, taking the stake for which it speaks to 50.31 per cent.

This purchase will dilute the 75 per cent stake held by Pergamon

Mr Maxwell said BPCC had made a formal approach a few days ago to Webb, a publisher and printer of magazines, based in Saint Paul,

and home improvement magazines and made pre-tax profits of \$10.9m on sales of \$177m in 1985. It had shareholders' equity of \$56m at that

dustry but those who will continue to make money will be those provid-ing the information," Mr Maxwell said. "We are weak on the agricultu-

president of finance, said: "We are working with our financial advisers and are considering BPCC's propos-al as well as other alternatives."

Webb announced four weeks ago that it had called in Shearson Lehman, the US merchant bank, to help it evaluate possible mergers, acquisitions or the sale of all or part of the company. Webb is traded on

eased 2p to 321p.

Men and Matters, Page 10

# BPCC plans bid for Litton claims \$30m for alleged insider trading in Itek deal

BY WILLIAM HALL IN NEW YORK

nia-based conglomerate, has filed a \$30m lawsuit against its former investment bank and several individuals claiming that insider trading and is to repay more than \$10m of by some of the investment bank employees caused it to pay too litton confirmed yesterday that much in its \$240m acquisition of it had filed a suit in a US district Itek Corporation in 1983.

Litton is believed to be the first company to allege that it has been Assuming an asset value of 340p hurt by the activity of Mr Dennis per share and a price of 292p for ed in the biggest insider trading case in recent Wall Street history. The Securities and Exchange

an offer for Philip Hill with the aim of selling off its shareholdings in British and overseas companies to gamon will still have more than 51

Minnesota, saying it was prepared to make an offer worth at least \$16

the US over-the-counter market. BPCC's shares fell 17p to 281p in London yesterday while Philip Hill LITTON INDUSTRIES, the Califor- employers were involved as invest- Levine was not directly involved in ment bankers.

erate with the SEC in its inquiry

court in New York to recover damages for securities fraud, civil viola-tions of federal racketeering stat-takeover. Litton, which initially beutes negligence, common law Levine, a young investment banker, fraud, breach of contract and a share, eventually agreed to pay Shearson Lehman Brothers, Mr Levine, a former Shearson employee,

and several other individuals. Commission, the watchdog of the

Litton hired Lehman Brothers aimed at highlighting low ethical

US securities industry, has charged

Kuhn Loeb, now known as Shear
standards on Wall Street. These Mr Levine with illegally earning son Lehman Brothers, to be its in-\$12.6m by trading stocks of 54 com-panies, including 19 in which his the Itek acquisition. Although Mr Knapp said.

the deal, Litton alleges that his in-Mr Levine has agreed to co-op- sider trading activities forced it to pay more than it should to take

over Itek, an electronics group. Litton argues that Itek stock was pushed to "artificially inflated levels" because Mr Levine and others whom he tipped off began buying gan buying Itek stock at under \$23

Mr Robert Knapp, Litton's direc tor of public relations, said yester day that the lawsuit was not simply illegal actions cost us a lot of money

# Digital audio tapes row looms

BY DAVID THOMAS IN LONDON AND CARLA RAPOPORT IN TOKYO

in jeopardy unless the Japanese smaller size and a recording capacielectronics industry agrees to its ty. demands concerning the introduc-

tion of a new music medium, known as digital audio tape (DAT). The Music industry wants EEC legislation to require all DAT machines and tapes sold in Europe to be fitted with an anti-copying device, known as a spoiler, which would prevent DAT being used to pirate copyright material. It has lobbied for similar legislation in

Washington. The music industry also wants EEC support for its demand that the Japanese should delay the in-troduction of DAT because it might damage sales of compact discs, which are just beginning to take

dustry believes its future could be disc, but with the advantages of Trade and Industry.

pean Commission, the music industry justifies its demands with the claim: "If DAT were allowed to make an untimely and disorderly appearance on the market, it might be the final blow to the recording industry."

This issue is threatening to be-come the latest in a series of acrimonious trade disputes between Japan and the rest of the world. The London-based International

Federation of Phonogram and Videogram Producers (IFPI), which represents 640 music companies world-wide, has discussed DAT with the nission during the summer.

The commission has told the mu-

THE EUROPEAN and US music in- sound equal to that of a compact Japanese Ministry of International

The IFPI is also seeking an urgent meeting with the Electronics Industry Association of Japan (El-AJ), which in the past has not been inclined to discuss the issue

The ability to manufacture DAT is already possessed by four major JVC, Sony and Sharp. Plans to demonstrate the machines at an elec tronics fair in Tokyo on October 2 are still going ahead.

If the Japanese agree to talk to the European and US music industry, their response to the idea of a spoiler is likely to be that it could not be made fool-proof.

If no agreement can be reached the music industry is likely to press for tougher action from the EEC and US government, including tariffs and possibly even an import

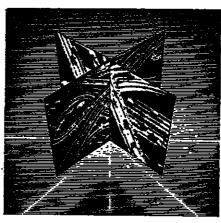
Details, Page 11

Continued from Page 1

stances so demanded. Salomon Brothers, the big New York investment bank, yesterday told its customers that the markets were likely to adopt an attitude of "optimistic scepticism" to the Australian budget proposals. In an an-alysis circulated to some of its customers, Salomon said that the move was in the right direction but it would take time to convince the markets that the proper measures were being implemented

bags (of 60kg each). This compares with production of about 30m bags the burden of adjustment on to fislast year, and an earlier estimate cal policy was necessary so that for this year from the Brazilian Col-monetary policy can be eased. We de not expect that there will be any scope for an easing of monetary pola precipitous rise to higher levels duction coincides with a possible key in the next few months unless scarcity of supplies from other pro-ducers of similar types of mild cof-further depreciation of the Austral-

# Trade Finance. Bank on the experience of Germany's leading bank.



The transaction demanded an in-depth understanding of local customs and laws. Important tax advantages had to be identified and incorporated into the plan. Transportation costs had to be carefully calculated. Finally, it required the issuance of letters of credit and banker's acceptances for more than \$ 100 million. It demanded a banking partner with expertise - and great financial strength.

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Reedings at mid-day yesterday:

# However, it looks increasingly likely that at least one major Japanese company will go ahead before the end of the year with the launch of DAT, which offers high quality

Coffee prices climb as

**Brazil shortfall looms** BY ANDREW GOWERS IN LONDON

sharply again yesterday as traders the only major agricultural com-speculated on an expected shortfall modity which has risen significantin Brazilian supplies later this year. ly in price this year. This should be confirmed today, when the Brazilian Coffee Institute

sharp reduction in its estimate for the 1986 crop. On the London robusta coffee futures market, the price of the November contract rose £42.50 an the day to close at £2,062.50, its highest level for three months. This means that the market has risen a total of £240 in the last four trading days. Prices also rose the maximum per-

mitted in one day on New York's futures market yesterday. The latest increase, which follows last December and January, has brought life back to London's otherwise quiet soft commodity markets. fee

WORLD COFFEE markets climbed It also underlines coffee's role as

The activity has been sparked off

makes what is expected to be a size of this year's coffee crop in Brazil, the biggest exporter. In normal years, it accounts for 30 per cent of the world coffee market. Coffee trees in the country's main growing regions were severely damaged by a four-month drought last year. The 1986 crop is expected to total not much more than 12m

> for this year from the Brazilian Coffee Institute of 14.7m bags.
> The further fall in Brazilian pro-

# A\$ slides on budget doubts

in wages in January if circum

"One worrisome aspect was the

و المراجع المراجع المراجع و المراجع المراجع المراجع و المراجع و

# How options are changing the top-pay culture

British company managers than any stock market slippage in cash.

Over the next four years it startling growth over the past few years in the number of UK companies awarding share options to their top executives.

The growth is indicated by

options to their top executives.

The growth is indicated by the annual surveys which the British arm of the Towers Perrin international consultancy makes of senior management rewards in almost 50 of the UK's biggest groups by turnover. The detailed results are confidential to the companies taking part. But the consultancy has this week kindly provided the Jobs column with a sketch of the broad findings on share-option broad findings on share-option

The story starts with the arrival of Britain's Conservative Government in 1979.

Its Labour predecessor had discouraged the payment, over who enjoys them. Nor has the and above normal salaries, of Jobs column previously come rewards either in money or across any estimate which readily convertible into same. enables their worth to an extensive discouraged the payment. Tory regime was more favourcompared with the same
able to the payment of such person's salary and cash
rewards in general, it did not bonuses in terms of pounds
give outright encouragement to sterling a year.

by only about one in every three, they are now awarded by all but one company out of the entire sample and it plans to introduce them very soon.

That growth in the provision is of course impressive in its own right. Even so it tells us little about how much such options mean to an executive who enjoys them. Nor has the Jobs column previously come Although from the outset the individual to be even crudely

was only about one exercised by the purchase of less heady market conditions,

THE RECENT dip in United in every 10. Even that, how shares, and what their worth will kingdom share prices was probably felt more acutely by more ably felt more acutely by more British company managers than their high-ranked staff bonuses known.

Despite such difficulties, by more acutely by more and more important part of the proportion which paid in the future simply cannot be and more important part of the prevent it, UK companies to every three version to American executive—any stock market slippage in cash.

Despite such difficulties, the value of the share option adsence of political changes to prevent it, UK companies to every three version to American executive—any patterns is going to converse apparently sees nothing wrong apparently se

Despite such difficulties, overall rewards. however, Towers Perrin has "When the market was been brave enough to venture generally lower in 1985, the grew faster in popularity. In 1983 they were being paid by 42 per cent of the companies. Stock options were provided by 35 per cent.

Since then the proportion paying cash incentives has risen further from roughly two in five to more than two in three. But whereas before the Tories' encouraging measure of 1984 is nothing less than encouraging measure of 1984 is nothing less tha encouraging measure of 1984 cost to the chief of buying the the stock options were provided shares in question.

### How much?

As readers may like to guess what the annual worth figure is, I will keep it secret while is, I will keep it secret while giving a couple of other details to guide them. The same hypothetical but nonetheless typical big-company bose has a basic salary of £160,000 a year. Cash bonuses add a further £15,000. So how much more is represented by the share entire? sented by the share option?

rewards in general, it did not give outright encouragement to share option schemes in particular until 1984.

Of Towers Perrin's perennial sample of big companies, the proportion which issued stock options to senior executives in 1979 was only about one such serior salary and cash about 2.00,000.

Admittedly it may have been abnormally boosted to that level — well over a third of the such estimates is that they could never be more than sketchy at best. After all, the value of an option cannot be decided until Towers Perrin's UK director John Carney says that even in exercised by the purchase of less heady market conditions.

we have been seeing in Britain since 1984 is nothing less than a cultural change in our approach to paying our top executives.

"We seem to have split from the European tradition of rewarding them very largely by regular salary, and moved towards the United States pattern. None of the other European countries has shifted anywhere near as far. Take stock options for instance: only Palgium and France seem to encourage them even modestly.

"You have to bear in mind though that in the US the head so now much more is represented by the share option?

The consultancy's estimate is about £100,000.

Admittedly it may have been abnormally boosted to that level — well over a third of the chief's £275,000 total — by the stock market boom occurring when the survey was made. But £275,000, the American will be nearer £750,000. So we're still well short of going the whole hog."

There is little doubt in Mr

"Nobody would be naïve enough to think stock options are a truly fair way of tying executive rewards to executive performance. There are a great many influences outside any manager's control that may cause a company's share prices to go up—and to come down, too, of course.

"The main thing options have going for them is that they're extremely tax-efficient from the company's and the executive's point of view. The UK chief with the £275,000 total will be revine income tax on will be paying income tax on the £175,000 in salary and cash bonuses, for example, but all that the rest will be liable to is capital gains tax at a far lower rate. So I'm pretty sure Britain has many more stock

But John Carney also expects that the options' effect as a motivator is likely soon to be radically changed.

So far they have largely motivated their recipients to stay working for the company which initially provided them. And the provision has often been generally.

sparently sees nothing wrong with executives realising their maximum entitlement several times within the official life of

A different view is being taken, however, among the major shareholding institutions which constitute the UK's investment protection committees. They claim that no executive should be able to exercise the maximum entitlement more than once in the scheme's 10-year duration. Since there is little chance of a major com-pany getting a majority of its ownership to approve an option scheme against the institutional shareholders' wishes, their view on the matter seems bound to

If so, the result must surely be that highly prized execu-tives will find they can no longer look forward to the bonanza of repeatedly exercis-ing their maximum entitlement if they stay with the same em-ployer. Their only hope of obtaining comparable boosts to their wealth will be to move at fairly frequent intervals to work for some other company that offers them an option

The UK rules governing offi-cial approval of a stock option "Instead of being golden hand-scheme require it to last for a 10-year period. Even so, into golden hellos."

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We are acting on behalf of the merchant and investment banking arm of an established US Securities house. They are currently undergoing rapid expansion of their corporate finance division and are looking to recruit a number of individuals at the director, associate director, manager and executive levels. Candidates will either be corporate financiers with experience in a wide range of transactions and the character and initiative to attract and develop new business or, at the more junior levels, will be recently qualified accountants or lawyers with excellent academic backgrounds, any related corporate finance experience being an obvious advantage.

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For further information please write or telephone in confidence Susan Milford, Manager, Financial Appointments, quoting reference: CG0250.

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# Den norske Creditbank PLC

# International Investment Banking

Den norske Creditbank PLC has the following vacancies for two key individuals to supplement the expanding European equities business of DnC Securities Limited. Whilst the initial emphasis will remain centred on Norway and the Scandinavian economies generally, more widespread coverage of European equities is planned to follow.

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The successful applicant will have at least two years experience of European equity analysis and the ability to communicate both verbally and by writing clear, concise English. The ability to speak one or more Scandinavian languages would be an advantage but is not essential.

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We have helped our client review the UK agricultural sector and are now recruiting a Manuager to head up the Agribusiness Finance Division. The successful candidate is likely to be aged under 40, with around 10 years or more experience in the financial sector and at least three years spent specialising in agriculture. Professional experience and commercial aptitude are of more importance than formal academic qualifications although these are, of course, advantageous.

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> Please send your curriculum vitae in confidence to: Mr. D. A. J. Upton, Managing Director



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# U.S.A. \$35-40,000

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institutions outside the U.K.

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banking benefits will be offered. Interviews will be conducted in either London or Manchester, week commencing 25th August. Written applications including a full curriculum vitae should be forwarded to: The Managing Director

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# TULLETT AND TOKYO

**FUTURES** Tullett and Tokyo Australia Pty Ltd have recently acquired floor membership of the Sydney Futures Exchange. The Sydney Futures Exchange is shortly to form a link with LIFFE which will permit the trading in Sydney of Futures Contracts on Eurodollars and US Treasury Bonds on a mutual offset basis with those contracts traded on LIFFE. Tullett and Tokyo Australia Pty Ltd intends to be an aggressive and active member in broking these contracts, in addition to the Domestic Financial Futures Contracts already traded on the SFE.

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Sydney operation:—
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63 Queen Victoria Street, London EC4N 4ST. major international excl

International Appointments

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if you are interested in discussing the possibility of relocating or returning to Tokyo, please telephone for an initial discussion or send, in confidence, a Curriculum Vitae for the attention of:

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Ctill or write Mark Epstein The September Group ine 1781) 2m Vicents Sculevard Suits 540. Les Angeles. CA 50049 Talt 213-207-0844 London interviews mid-September

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LINE PROSPECTS IN 2 YEARS

A major and highly successful City Fund Management group is upgrading its accounting system, for which the specification and design are nearing completion. Working closely with and reporting to the Financial Director your initial responsibilities will be to implement a brand new bespoke system within the Unit Trust subsidiary.

You will be, preferably, a recently qualified individual possessing a well developed knowledge of computerised accounting gained within the investment industry. Ideally you will be familiar with medium sized mainframe equipment. Write or telephone in confidence to Richard Small, Senior Consultant, quoting reference CG0257

Telephone: 01-256 5041 (out of hours (023085) 286)



10 Finsbury Square, LONDON EC2A 1AD.

1. 5 1.

# Accountancy Appointments

# Tax **Specialist**

**Hong Kong** 

c.£32,000 tax paid plus expatriate benefits The HongkongBank Group is one of the world's leading financial organisations with operations in 55 countries. The Group Tax Department, located in Hong Kong, deals with the many complex tax issues arising out of such a diverse organisation and provides advice and assistance to various parts of the Group.

We now have an opportunity for an Assistant Group Tax Adviser. Key responsibilities will include improving the tax efficiency of Group operations, reviewing taxation practice world-wide, solving specific tax problems, providing up-to-date information on taxation legislation and contributing to the satisfaction of the Group's Hong Kong tax compliance

Aged 35-45 and a qualified accountant and/or lawyer, the successful candidate will ideally have an Inland Revenue background combined with considerable experience of taxation in a multinational, preferably in a financial institution. Knowledge of U.K., U.S., and European taxation and the operation of tax treaties, together with some exposure to new financial instruments are all highly desirable. The ability to communicate effectively with top management is essential as is the willingness to undertake considerable travel.

There will be an initial two-year contract, which may be converted to permanent employment by mutual agreement. In addition to the tax paid salary, generous expatriate benefits include end of contract gratuity, free fully furnished accommodation, six weeks annual leave with free air travel, children's education allowance and medical expenses.

Please write with full curriculum vitae by 5th September to:-International Administrator,

The HongkongBank Group, 99 Bishopsgate.



# **US MULTINATIONAI**

**NORTH WEST** 

£18,000 + Car + Benefits

Our client, the successful UK subsidiary of a major Fortune 500 Corporation, holds a high market profile in the FMCG and retail sectors.

This demanding management position will provide top level exposure to the group's diverse world wide activities. The role, investigative and project based by nature, will involve extensive liaison with senior operational management.

Applicants must be under 35, hold a recognised accountancy qualification and have had extensive audit experience.

The successful candidate will possess highly developed analytical and inter-personal skills. This key appointment carries great potential for progression within the group.

For further information please telephone Elleen Davis on 01-930 7850 or write enclosing a c.v. to the address below.

**ROBERT • WALTERS • ASSOCIATES** 

RECRUITMENT CONSULTANTS

66-68 Haymarket London SWIY4RF Telephone: 01-930 7850

# Financial Controller c £23,000 + car + bonusLondon

Our client is a dynamic young private company specialising in creative design services. Both profitable and highly professional, they are expanding steadily and aspire to a USM listing in the foreseeable future.

They now want to recruit a Financial Controller who will report directly to the Mananaging Director. As part of the company's executive team, your brief will include the development of management accounting procedures, computer based financial systems and strategic business planning. Responsible for the total finance function, you will be expected to establish a rapport with financial institutions, advise on legal matters and play an active role in the overall commercial decision making process.

Aged 27-32, you will be a qualified accountant with sound all-round experience. You must be decisive, with a good 'shirt sleeves' approach, and be capable of making a positive contribution to the future growth of the company. Experience gained in a fast moving

sales/marketing environment would be an advantage. This is a challenging opportunity and there are real prospects of a Directorship for the right candidate. The remuneration package is attractive and will include a

Interested applicants should write to Barry Ollier ACA, Executive Division, enclosing a comprehensive C.V. and daytime telephone number, quoting ref. 340, at 39-41 Parker Street, London WC2B 5LH.

Michael Page Partnership

International Recruitment Consultants London Windsor Bristol Birmingham Manchester Leeds Glasgow Brussels New York Paris Sydney

A member of Addison Consultancy Group PLC

# **FINANCIAL DIRECTOR**

c. 25k + Car + Options

THE COMPANY: We are the Business Service Division of The Britannia Security Group plc, a USM company, committed to growth through internal expansion and acquisition. The Division comprises four trading companies covering data management,

THE JOB: The management of our department of eight

people, responsible for all accounting function particularly management accounting, budgeting, variance analysis, forecasting and cash flow control. As a senior member of the management team, participation in setting and implementing Divisional policies, strategy formulation and new venture valuation will be required.

data storage, reprographics and storage systems.

service company background, and ideally be aged 30-40 years. Oil industry, data storage or computer industry experience would be useful, as would previous involvement in implementing a computerised accounting system.

> Suitable applicants should apply in writing with full career details to:

Mrs D. Mair, Personnel Manager KESTREL DATA (UK) LTD 28-30 Trinity Street, London SE1 4JE

THE PERSON: Candidates should be fully qualified, with a



CINEMA INTERNATIONAL CORPORATION

A market leader in the entertainment field, with a turnover in excess of £100m, our client is young and dynamic with a forward

As part of their continued expansion they are currently seeking to appoint two high calibre executives for the following UK based. thinking sophisticated approach to the leisure industry. positions within its service organisation:

### Director c£34,000 + car

You will control the formulation of international tax planning for the group's world wide operations. A recognised professional qualification and wide experience of international tax within a specialist division of a large firm of chartered accountants or the international tax department of a major group of companies

You will be expected to provide full technical support and anat-ance at Director level. You must have gained a minimum of 2.3 years post qualification experience in the tax department of a major from, including specific exposure to the tax affairs of a multi-national group

In addition to responsibility for the normal international tax affairs of the group there will be considerable exposure to more specific areas, particularly those of formation, acquisition and disposal of entities world wide. There will be daily US contact and eigenfacture involvement with other world wide operations. The positions will also require extensive liaison with the operating management necessitating strong interpersonal skills in the successful applicants.

The remuneration packages are excellent and will reflect the seniority of these appointments. Interested applicants should contact. The remuneration packages are excellent and will reflect the seniority of these appointments. Interested applicants should contact. Jayne Thomas on 01-831 2000 or write to her, enclosing a c.v., quoting reference 7752 at the Tassalon Division, 39-41 Parker Street, London WCZB 5LH.



Michael Page Partnership

International Recruitment Consultants

London Windsor Bristol Birmingham Manchester Leeds Glasgow Brussels New York Paris Spaney A member of Addison Consultancy Group PLC

# **Opportunities for Accountants** in new division

Central London up to £20,000

British Telecom's International Products Division has been recently set up to take over the group's activities in the development, manufacture and overseas marketing of new high technology telecommunications products.

This has led to the creation of two positions within the division's Central Finance Department, reporting to the Chief Accountant. These new posts provide a unique opportunity to make a major, immediate and highly visible contribution to the success of the business.

Financial Accountant up to £20,000

INTERNATIONAL

CORPORATE

TREASURY

MANAGER

CENTRAL LONDON BASED

(Renewable)

Please send c.v. to:

Mrs. L Peacock Flat 21, 7 Princes Gate London SW7 1QL

ACCOUNTANCE CONTRACTS OF GI-831 2402

to 6 MONTHS CONTRACT

This is a highly challenging position and the responsibilities of the successful applicant will include:

 the preparation of all consolidated financial accounts for the division, which includes UK and overseas

setting up and developing financial accounting

He/she will be a graduate Chartered Accountant, ideally aged 25-30, with experience of financial

consolidation work and taxation on an international

up to £17,000

Management Accountant

This broad-ranging and stimulating position will cover:

monitoring the performance of existing business

advising on potential acquisitions and

 developing and improving management information He/she will be a graduate finalist or recently qualified member of a recognised accounting body (e.g. ACA, ACCA, ACMA). Experience of working in a commercial environment and familiarity with micro-

computers are essential.

Places apply, in confidence, quoting reference 251/1 (F.A.) or 252/1 (M.A.) to Charles Barker MSI, 30 Farringdon Street, London EC4A 4EA. Tel: 01-634 1143.

**British** 

T'EL.ECOM

# **Financial Controller**

Renishaw is one of the few really big British success stories in high technology manufacturing. The Company produces high precision measuring instruments and is now moving into the field of robotics and automated production machines.

The Financial Controller will have a vital role to play in the expansion of the Company into these new products.

Candidates must have appropriate business experience, especially in introducing accounting systems suitable both for a new enterprise and for Group requirements.

Renishaw's success stems from a high level of original research culminating in prototype production which doesn't go operational until it is proved cost effective, so budgeting and budget controls are vital to successful expansion. As is good management information and accounting analysis.

These are key management responsibilities and it is unlikely anyone under the age of 27 years will have the necessary experience. The successful candidate should have a degree in Accountancy backed by an ACA. Salary and benefits are attractive, conditions of employment first class and a relocation package could be available if required.

If you would like to apply, please write or phone for an application form to: R.S. Roberts, Group Personnel Manager, RENISHAW plc, Wotton-under-Edge, Gloucestershire, GL 12 7DN. Telephone: 0453 842533.

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And the second

Accountancy Recruitment

West End + City Area Substantial Salary, Benefits

Hoggett Bowers, successfully flosted on the USM in 1984 and continuing to achieve substantial profit growth, operates nationally at the forefront of the executive recruitment industry, providing highly professional services to a wide range of clients. Incorporated into this is the highly successful Accountancy Division, specialising in both contract and permanent appointments. Growing demand for these services has necessitated in further expansion and there are now openings for additional consultants. Following an intensive training programme you will be responsible, in an environment of individual initiative and operational freedom, for the generation, management and successful completion of a variety of accountancy recruitment assignments. If you are 26-36, have a strong sales, recruitment or accounting background and can manage a business portfolio this could be the career move you are seeking. Profit sharing is based upon individual and total self-motivation. If you identify with the scenario described above we would certainly like to talk to you.

Male or female candidates should submit in confidence a comprehensive cx. or telephone for a personal history form to P.A. Adderley, Hoggett Bowers, Abbott House, 1/2 Hanover Street, LONDON, WIR 9WB, 01 499 2768, quoting



Major banking and financial services group

from £25,000 + car

Our client seeks a highly qualified and widely experienced tax specialist now working either in a leading professional firm or in the head office of a major financial institution or from within the Inland

As a key member of the group's senior finance team, the emphasis will be on strategic tax planning on a worldwide basis. group relief planning and consulting on the tax implications of ad hoc projects. Other duties will include supervision of compliance work for the group. The post will involve considerable contact with, and advice to, senior executives throughout the group.

Applicants, preferably graduate chartered accountants, must have wide practical experience of tax matters relevant to an international financial group, should have a positive commercial approach and the personal qualities necessary to contribute to group strategic planning. The salary is negotiable and there is an excellent benefits

Please write in confidence, with full career details, quoting reference 3972/4/L to: John W. Hills, Executive Selection Division.



Peat, Marwick, Mitchell & Co., 165 Queen Victoria Street, Blackfriars, London EC4V 3PD.

# Accountancy Appointments

# **GROUP TAX** MANAGER

### Watford

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Our client is a substantial public group who manufactures a range of products and offers contracting services worldwide in the industrial sector of the construction industry. They now seek a well qualified and widely experienced tax manager to join the high profile central finance

As a key member of the group's senior management team duties will include tax compliance work both for UK based and overseas companies, the provision of corporate tax advice to management, the planning and development of the group's tax strategy to maximise the use of available reliefs and the handling of ad hoc projects. The post will involve keeping

From £25,000 + car

abreast of tax development worldwide and advising group management on the tax implications of its ambitious growth

Applicants, preferably graduate chartered accountants aged 35 to 45, must have wide practical experience of corporate and personal tax matters relevant to a substantial group operating worldwide; they should have a positive commercial approach and the personal qualities necessary to contribute to group strategic planning. The salary is negotiable plus car and good benefits.

Please write in confidence with full career details, quoting reference 6394/L to John W. Hills, Executive Selection Division.



Peat, Marwick, Mitchell & Co., 165 Queen Victoria Street, Blackfriars, London EC4V 3PD.

# Advertising Agency Financial Director

Our clients, a mainstream advertising group, are seeking a Financial Director for appointment to the Board of the main agency. The candidate will also have responsibility for group financial control.

Candidates should be qualified accountants aged between 30-35 years. Experience of advertising is not essential, although a "people-orientated" service industry is. Responsibilities will include regular reporting to the Board, running the accounts department (which is fully computerised) and to be involved in all aspects of the Group.

Salary will be at least £22,000 plus car and other benefits.

Please reply in the first instance to: BERKE FINE

Dorville House. 14 John Princes Street London WIM 9HB Ref: MV/GH/T 1221



# Financial Controller

City

c.£22,500 plus car

Our client is a London based service industry Company, with interests in property and finance. Their essets exceed £36 million department of 15 including both qualified and part-qualified accountants, backed by a recently installed Wang system. and they are embarking on a progressive, £15 million development programme. The position is an excellent opportunity for a practical, young Accountant (ideally ACA) with some post-qualification Reporting to the Chief Executive, the experience, who wishes to develop manage-Controller will be required to assume responsibility for the complete financial ment ability in an interesting smaller function and to provide the information to The attractive remuneration package enable the management team, of which he or includes a car, non-contributory pension and

she will be a key member, to make sound other good benefits. and innovative commercial decisions. Please reply in complete confidence, Key roles will be to develop the management reporting systems, control the planning and budgeting process, and make a sound enclosing full career details to M. P. Hann, Bull Thompson and Associates, 63 St. Martin's Lane, London WC2N 4JX, quoting Ref. No. 1155. commercial contribution. An important additional function will be to manage a



CORPORATE AND RECRUITMENT CONSULTANTS L

Financial Manager

£20,000, Bonus, Car Tunbridge Wells

Total involvement in a hands-on challenging working environment coupled with the potential for career development in a fast-growing construction service company are the key factors of this position. Reporting to the Managing Director, responsibility will be for the total finance function with special emphasis on financial planning and reporting, the instigation and management of a fully computerised and psyroll accounting system, and the preparation of feasibility studies and commercial appraisals of new ventures. Candidates aged 25-35 with high levels of drive and enthusiasm must be qualified accountants, with at least two years industrial or commercial

Male or female candidates should submit in confidence a comprehensive u.v. or telephone for a Personal History Form to M. Gould, Hoggett Bowers plc, 1/2 Hanover Street, LONDON, WIR, 9WB, 01 734 6852, quoting

# **Group Finance** Director

SE England

Salary negotiable to £45K+Car

Our client is a large, well established, privately owned Housing and Estate Development Group which has enjoyed consistent profitable growth. Whilst maintaining this position the Group intends to penetrate the Commercial Development market and has identified the need for a Financial Director with strong entrepreneurial, financial and business skills to assist in this exciting stage of the Group's progress.

Reporting directly to the Chairman, and as his adviser, you will be a member of the top management team and play an important role in formulating the policy, financial strategy and planning of the Group. In addition you will be responsible for the day to day financial performance and funding requirements of the Group.

Candidates, aged about 40, should ideally be graduate Chartered Accountants with an authoritative and innovative approach and possess in-depth financial and policy making experience which must have been gained at Board level, in a housing and property development environment.

Interested candidates, who match these searching requirements, should send a detailed CV, including current salary, to Don Day FCA quoting reference LM4 at Spicer and Pegler Associates, Friary Court, 65 Crutched Friars, London



Spicer and Pegler Associates

# THE MONEY MARKET TRUST Commercial Acumen ACA age 26 to 30 £25,000 to £27,000 plus car

Our client The Money Market Trust is part of the Tullett & Tokyo money broking group offering trustee managed 'Money Funds' to corporate, brokerage, public and private cash depositors. It is a licensed deposit taker. The Trust has proved its potential in its first three years of trading achieving considerable funds under management and a firm decision has been made to expand.

To assist in this development The Money Market Trust is recruiting a Chartered Accountant to take responsibility under the Managing Director for day-to-day administrative and commercial management and to play a significant part in business growth. The role combines the need for first-class financial administration with sales and marketing in a fast moving, high pressure environment. It is a superb opportunity for a young, ambitious accountant to contribute to the building of an enterprise and share fully in the rewards of profitable trading.

Candidates will need to be able to show that they can administer accounts in the detail required to meet Bank of England requirements and that they are 'computer literate'. They will also need to demonstrate a flair for sales and marketing and have the personality to generate client confidence. Finally, candidates should be convinced that they are of the calibre to progress to board level in a City financial institution.

Salary will be in the range £25,000 to £27,000 pa initially, plus car and other benefits, but candidates should expect to transfer to a performance related formula in due course. Please forward a full CV quoting reference LM7 to Terry Fuller, Spicer and Pegler Associates, Executive Selection, Friary Court, 65 Crutched Friars, London EC3N



Spicer and Pegler Associates

# FINANCIAL DIRECTOR

(Designate) £18.000 c + CAR

Our client, a South Yorkshire based consumer durables manufacturer, is a subsidiary of a major group of companies whose annual turnovar exceeds £500 million.

Due to internal promotion, a vacancy now exists for a Director of Finance. The successful applicant will be expected to make a key contribution to the company's profitability, growth and development, with responsibilities that are both wide ranging

Although there are no formal age limits candidates should be in their late twenties to mid forties, be professionally qualified and with significant experience in a manufacturing environment at senior executive level.

Please send full career details, under confidential cover, to Miss Jane Moore at Inform, 53 Wostenholm Roed, Sheffield S7 1LF.

**INFORM** Personnel Consultants

# APPOINTMENTS ADVERTISING

£41 per single column centimetre and £12 per line Premium positions will be charged £49 per single column centimetre

For further information call:

Louise Hunter 01-248 4864 Jane Liversidge 01-248 5205 Daniel Berry 01-248 4782

MAJOR US ADVERTISING AGENCY

# ASSISTANT INTERNATIONAL **FINANCIAL** CONTROLLER

Central London Age: 28-36 c. £21,000 + bonus

Due to our rapid expansion in Europe we are now seeking an accountant to join our International Financial Controller. We intend to make further acquisitions in Scandinavia and elsewhere. The ideal candidate will have:

- A recognised accounting or business qualification;
- A strong background in commercial accounting in a multinational environment;
- Good experience of small computer systems and computer modelling;
- ★ The desire to travel extensively.

In addition it is essential that the candidate has fluency in a Scandinavian language and in English. Knowledge of French or another European language will also be useful.

The work will involve acquisition investigations, particularly in Scandinavia, the subsequent integration of acquired companies into group systems and continued review of their progress. It will also encompass the co-ordination of all the international companies including maintaining internal corporate reviews, assisting in the preparation of budgets and forecasts and writing financial reports.

Please send a comprehensive curriculum vitae showing your salary progression to date to:

Box A0237, Financial Times 10 Cannon Street, London EC4P 4BY

# **Financial** Administration Manager

A small, fast-growing, London-based International Trading Company requires Financial Manager with sound commercial and international experience.

Must have accounting qualification. University degree, languages and overseas experience useful. Ability to manage the company, as delegated, when Managing

Proven track record, leadership and management qualities to take full responsibility for finance, accounts and administration. Must accept responsibility and be able to work in an international environment and assist in building and enlarging future company strategies

Would be involved in all new ventures and trading operations, providing full financial support to the mpany and would be expected to assist and advise in expansion of the Group's Investment Portfolio

Must have experience in dealing with bank, credit lines, letters of credit and have good presence and mature ability to negotiate with clients and advisors. Knowledge of shipping market desirable and commodity trading

Some annual mandatory travel. Age: Candidate to be 40 or under.

shortly.

Salary: £27,000-£30,000 p.a., company car plus opportunity to grow with the company. Pension scheme and medical insurance to be introduced

> Write Box A0238, Financial Times 10 Cannon Street, London EC4P 4BY

### FINANCIAL CONTROLLER/ **DIRECTOR DESIGNATE**

c. £22,000 + Benefits

London's premier metal merchants require a dedicated, determined and enthusiastic qualified accountant to play a key role in the development of an exciting group of companies. With turnover currently running at an annual rate of £12m, and rapidly rising, and a substantial interest in one of London's most prestigious property developments, this position will suit an ambitious accountant with a positive attitude to responsibility. Candidates must be qualified accountants, preferably under forty, with an ability to organise and to work under pressure. The successful candidate will be responsible for all aspects of the finance function as well as taking an active involvement in the general management of the group. He will work closely with, and report to, the Managing Director and can expect a Board appointment within the short term.

Please write, enclosing a comprehensive curriculum vitae

Please write, enclosing a comprehensive curriculum vitae including details of present salary and day-time telephone Neil M. Gillam

BLEASE LLOYD & CO. Pemberton House, 4-6 East Harding Street London EC4A 3HY

JOHN SWIRE & SONS LIMITED



# **Recently Qualified Accountant**

The Head Office of this international group is seeking a young qualified accountant as assistant to the Group Financial Accountant in London (currently in the City but moving to the Victoria area in 1988).

The successful applicant will be responsible for the Head Office accounts department, undertake the preparation of statutory accounts, budgets and management accounts for a number of companies and assist with the Group consolidation.

A competitive salary, car and other benefits will be offered.

Write in confidence to: J. C. Brodie, Personnel Manager JOHN SWIRE & SONS LTD

Regis House, 43-46 King William Street, London EC4R 9BE

Sb:

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# Accountancy Appointments

# HEAD OF INTERNAL AUDIT Key management role in new plc. c = 20K + car

BAA plc is one of Britain's newest public limited companies. It is due to be privatised in the first half of 1987. Through our subsidiaries, we own and manage seven major UK airports. Our commercial approach, sound business planning plus effective management, have achieved consistent profitability.

The role of Chief Internal Auditor is an influential one. Reporting directly to the Chairman you will lead a team of top-calibre audit specialists whose mission is to maximise our efficiency and effectiveness.

This is a major management challenge in which you will adopt a positive attitude towards investigating and recommending changes to management practices. It affords concentrated exposure to all aspects of our operation, a high level of visibility amongst senior decision makers and excellent opportunities for future career development. B'A'Aplc

based Gatwick

We are looking for a qualified Accountant whose qualities of leadership are well-proven. You will be fully conversant with financial audit regulation, keenly aware of the importance of VFM and capable of managing a specialist computer audit team. Your background may be within a major firm in The Profession or the internal audit function of a large "service industry" company. Whatever your particular profile, you will be incisive, decisive and driven by the will to achieve results.

Salary will be in a range from £19,000 to £23,500 pa plus car and comprehensive benefits. If you're capable of helping us to attain even higher levels of efficiency at this most important period of our company development, please send your c.v. to:

Julie Spencer, Management Resources, BAA plc, Corporate Office, 130 Wilton Road, London SW1V1LQ.

**Senior Financial** Accountant

**Join a Leader** in the **High Street!** 

c. £25,000 + Benefits

One of the U.K.'s most renowned and successful fashion retailing organisations is eager to maintain its impressive rate of growth and development across all areas of the business. This incorporates continuous evaluation of accounting methods, procedures and personnel to meet ever-changing operational requirements.

The Company has identified the need for an additional SENIOR FINANCIAL ACCOUNTANT. In this capacity, reporting to the Head of the Accounting Department and based at the Company's head office in Central London you will ultimately control, develop and be responsible for all financial accounting activities.

Thus, you will be able to demonstrate previous involvement in accounting and reporting financial information from within a highly systems-orientated environment, ideally in a multi-site industry sector. Profesionally qualified and aged 27-42 years, you must be conversant with the assessment and development of computerised accounting

In addition to a negotiable salary as indicated, other benefits include pension/life assurance scheme, annual bonus, staff discount and the security of working for an established, household name in the High

If you're adaptable, courteous, totally reliable and convinced you metch my client's requirements, please ring or preferably write in total confidence to me, Richard J. Sowerby, Sowerby's (Selection) Ltd., Personnel Consultants, 500 Chesham House, 150 Regent Street, idon, W1R 5FA. Tel: 01-439 6288.

# **Appointments** on Wednesday?

From Wednesday, September 10, the General Appointments section will appear on Wednesdays.

Accountancy Appointments will continue to appear every Thursday as usual.

The reorganisation of the Appointments Pages will enable the Financial Times to offer a substantially improved service to recruitment advertisers and their audience.

Copy deadlines for the Appointments pages are 3 p.m. on the Friday of the week preceding publication for Wednesday and remain unchanged for publication on Thursday.

For more information contact— Louise Hunter on 01-248 8000, extension 3588 Jane Liversidge on 01-248 8000, extension 4177 or Daniel Berry on 01-248 8000, extension 3456

FINANCIALT

LONDON - FRANKFURT - NEW YORK

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To match your taste-and budget-there's a choice of cover bindings for your FT Diary. If you want the ultimate in quality and

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Then there's the FT Pocket Diary, expanded for 1987 including profiles of 26 international business centres, maps, lists of hotels and conference centres, restaurants, theatres and airports. In short, more information than ever before. And, if you want to stay ahead of the field, our new FT "Pink" Pocket Diary with its FT pink pages and unique landscape format, promises to be the most sought after pocket diary of the year.

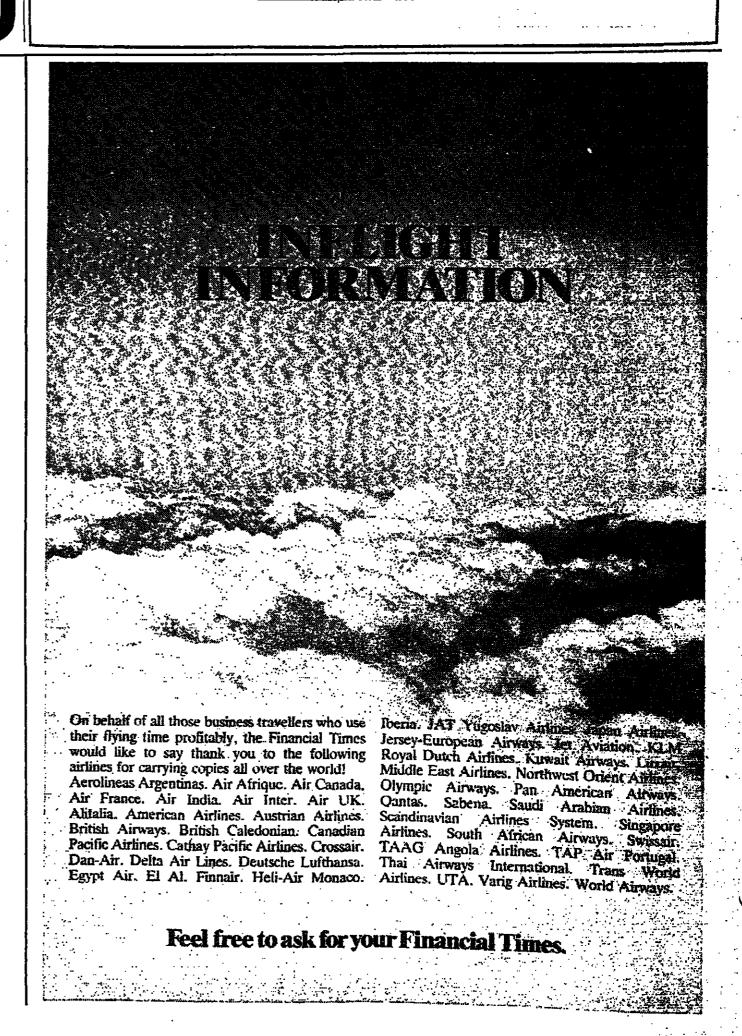
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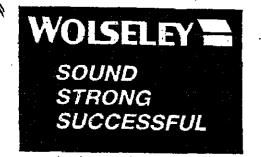
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Telephone Celia Parkes on 01-623 1211 for information about the FT Diaries and other business gifts available from the Financial Times or use the coupon below.



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# SECTION II - COMPANIES AND MARKETS

# FINANCIAL TIMES

Thursday August 21 1986



# International Thomson's Zapata first-half earnings slip

INTERNATIONAL Thomson Orgasaid that winter 1986-87 pronisation's first-half earnings have
been hit by lower oil prices and the
sales "considerably above" previous
sales "considerably above" previous strength of the pound against the corresponding levels. dollar. Net income for the first six Earnings from oil and gas fell months of 1986 slipped to £35m "materially below" the previous (\$52.5m), or 12p a share, from £41m, year's level, the company said. Oil

strength of the pound the end of 1979. against the dollar adversely affected revenues from oil and gas and North American publishing interests. Earnings for the full year are aircraft disposals and the sale of expected to be "significantly below" the commercial travel division of

or 14p a share.

Sales for the half-year of the Toronto-based energy and travel conglomerate fell to £752m against which, the company pointed out. was the lowest sterling price since

On the travel side the company The company said that the num-

craft load factors were 98 per cent of capacity.

Having contracted all its summer 1986 capacity Britannia Airways is benefiting from lower costs with utilisation improving to near-record

levels.
Publishing and information in the UK and North America continued to generate improved operating profits. Recent acquisitions per-

formed well Cordura Corporation, an information company in the automotive, electronics, and insurance fields, was acquired for US\$203m during

Mr Ronald Lassiter, Zapata's chief executive, said yesterday that he was particularly gratified by the

India Fund to be raised to £75m

BY OUR FINANCIAL STAFF

one of only 16 new Australian bank-

ing licences and will be seen as an-

tate foreign investment in the Indian stock market, was more than twice subscribed and is being in.

The unit trust is be creased to £75m from £60m.

The fund, the first means of in- Markets and Unit Trust of India riate communities. The shares are vesting in a market otherwise

tablished by Merrill Lynch Capital ment interest among Indian expat-Up to three quarters of the issue to be listed in London.

# wins deal on \$600m of debt

ZAPATA Corporation, a leading offshore drilling company, has won another breathing space from its bankers who have agreed to defer principal and interest payments on the group's \$600m of debt until No-vember 15 1986.

Zapata operates one of the world's largest offshore drilling fleets and, in common with many of its rivals in the industry, has been hit by the collapse in oil prices and the dramatic drop in drilling activity. Earlier this month Zapata reported a nine-month loss of \$91.1m on revenues of \$158.9m.

Zapata was founded by Mr George Bush, the US vice-presi-dent, but he no longer has any con-

The company yesterday an-nounced that it had signed agreements with all its lenders covering various borrowing and interest rate exchange agreements and provid-ing Zapata with deferrals of payment obligations and covenant waivers until November 15 1986. It also announced that Manufacturers Hanover Trust, its lead bank, had agreed to provide up to \$25m for the completion of development of Zapata's Wisdom natural gas field.

spirit of co-operation within the company's bank group. Zapata's shares rose by 5% to \$3% in early trading yesterday, valuing the group, which operates 18 offshore drilling rigs and has the largest US commercial fishing fleet, at \$75m. ● Dresser Industries, the US energy services group, lifted third-quarter net profits from \$14m, or 18 cents a share, to \$18.7m, or 24 cents, but only after a pre-tax gain of \$67.8m from the termination of pension plans. This was partially offset by a \$27m pre-tax charge for the writedown of certain oilfield assets.

# German banks double Luxembourg surplus

THE SUBSIDIARIES of West German banks in Luxembourg doubled their pre-tax profits last year - but The central bank notes that the the central bank notes that the the transfer of the central bank notes that are still far from achieving the out-standing performance of the late

terday, pre-tax profit of the subsidiaries - expressed as a share of their balance-sheet totals - jumped from 0.08 per cent in 1984 to 0.17 per cent

The result is well behind the 0.54 recession and the upsurge of the says

BY YOKO SHIBATA IN TOKYO

CANON, Japan's leading camera

and office automation equipment

manufacturer, incurred a 39 per

cent drop in pre-tax profits in the first half of this year to Y13.95bn (\$91m). Net profits fell 9 per cent to

Y9.98bn on turnover of Y277.29bn.

The decline in earnings was

blamed on the yen's sharp apprecia-tion, eroding sales by Y57.5bn. Dur-

ing the first half, the yen averaged 170 to the US dollar compared with

subsidiaries last year produced buoyant operating profits due partly to good results from own-account According to the Bundesbank's trading, improved commissions latest monthly report released yes-earnings and lower refinancing However, almost all this profit

was fed into the banks' loan loss provisions - a total of DM 1.8bn (\$900,000m) after DM 1.6bn in 1984. "Evidently the Luxembourg subsidiper cent of 1979, the last bumper aries used their good earnings posiyear for the banks before the section to do some catching up with ond oil-price shock, the economic their risk cover," the Bundesbank

Canon half-year profits fall 39%

It also discloses that of the 26 The Luxembourg subsidiaries Luxembourg subsidiaries which, lent more to problem debtor states with a combined business volume year the pre-tax profits of banks in than their parent companies in Germany, and the repercussions cent of the volume of all West Germany rose only slightly to DM 20.6bn from DM 20.4bn in 1984.

ing equipment.

The Luxembourg subsidiaries are not only less profitable compared with their own performance a few years ago but also less profitable than West German domestic credit

Last year pre-tax profits of the domestic institutes - at 0.62 per cent of balance-sheet totals - clearly outstripped the 0.17 per cent notched up by the Luxembourg banks. In 1979 the position had been the reverse - 0.54 per cent for the Luxembourg divisions and just 0.48 per cent for the domestic

The Bundesbank notes that last

# **Frandev** seeks to treble its capital

By David Marsh in Paris

FRANDEY, the French investment fund set up by Mr Pierre Moussa. investment bank, is seeking to tre-ble its FFr 807m (\$120m) capital to increase its financial resources in

coming years.

The fund, floated on the unlisted section of the Paris stock market in June, will be seeking authorisation from shareholders on September 4 to raise its nominal capital to FFr 2.4bn over the next five years.

The fund, backed by large French institutional investors, intends to take stakes mainly in companies which will be progressively dena-tionalised by the right-wing Gov-

It hopes to make an important capital increuse before the end of the year although the fund clearly will not be using up all its new capital increase limits in one step.

Frandev has under its control FFr 850m in investments as the original FFr 807m capital was issued slightly above par. About half is invested so far in shares with the rest in bonds and mutual funds.

## Nokia in \$10m acquisition

By Olli Virtznen in Heisinkl

NOKIA, the diversified Finnish industrial group, has bought 51 per cent of Saakoliikkeiden Oy (SLO), one of Finland's manufacturers and wholesalers of electro-technical products. The acquisition is estimated to cost about \$10m.

The SLO group turnover is expected to be about FM 800m (\$160m) this year. The group has a fifth of the market of Finland's electrical-technical wholesale business. It has subsidiaries in Finland. Sweden and West Germany

# US bank drops Australian plan dent, but he no longer has nection with the company.

BY OUR NEW YORK STAFF

work in Australia

HANKAMERICA, the troubled US BANKAMERICA, the troubled US sponsible for building up BankAmwest coast banking giant which has been hit by heavy losses and a fair chant banking operations, resigned BA had completed a reassessment ly rapid turnover of its senior man- as chief executive of BA Australia of its strategy in the Australian agement team, has dropped plans last week. to establish a retail banking net-

His resignation is the latest episode in an upheaval of the senior The decision comes less than a members of BankAmerica's manyear after the bank was granted

Mr Paul Espie, who has been re-erica's local partner, and Mr Bill tralian subsidiary.

Coles Myer, an Australian retail-

er, will continue as a shareholder in Bank of America Australia, and Mr agement team.

Young reaffirmed Bank of America
In a joint statement issued in Australia had been assured of the other sign of retrenchment in the Australia, Mr Bevan Bradbury, continuing strong support of its US face of serious financial problems. chairman of Coles Myer, BankAm- parent in the operation of its Aus-

A SHARE offering for the India closed to outsiders, had already was allotted at Merrill's discretion. Fund, which is being set up to facilibeen set about 50 per cent higher Remaining shares are being allotthan planned after initial responses ted according to a formula giving proved enthusiastic.

The unit trust is being jointly estions. Merrill aimed to tap invest

# Utico recovers from profits decline

Camera sales stagnated due to

weaker demand for single-lens ref-

lex cameras, while sales of office

automation equipment such as la-

ser beam printers, facsimile and

Exports for the six months in- cent from a year earlier.

owned South African subsidiary of R97.9m (\$37.6m) in the first half of BAT Industries, has recovered from last year's sharp profit decline and expects the recovery to be main-

Turnover of the tobacco, snacks and the interim pre-tax profit was creased to 51.9 cents a share

UTICO HOLDINGS, the 64 per cent and fruit juices company rose to R6.07m against R1.86m. this year from R85.9m in the first half of 1985. The first half's operating income before interest and the present R1.86m.

Last year turnover totalled R184.6m the operating profit was R9.94m and the present results are results and the present results and the present results are results and the present results and the present results are results and the present results and the present results are results and the present results and the present results are results and th ing income before interest and tax R3.62m. increased to R8.06m from R4.72m,

The first half's earnings have in-

iers are expected to contribute to

sales. As a result, annual sales are

expected to remain at the previous

ed to plunge 51.8 per cent from the

previous year to Y20.5bn - the first

Yearly pre-tax profits are expect-

year's level of Y517bn.

All these securities having been sold, this announcement appears as a matter of record only.



creased by 2 per cent to Y207bn, ac-counting for 75 per cent of the total 152 to the dollar in the second half.

turnover. The volume of exports Its exports are not fully hedged in

advanced 2 per cent from a year the forward market Sales of new

earlier due to sluggish domestic electronic equipment such as elec-sales of semiconductor manufactur-tronic still cameras and colour cop-

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へっく ハ

GENERAL MOTORS, world's biggest automotive group, has spent nearly DM 2bn (\$975.6m) to bring its new executive car—to be called the Opel Omega in Continental Europe and the Vauxhall Cari-

ton in the UK-into production at the Opel factory in Russel-sheim, West Germany. If the investment, huge even

by motor industry standards, pays off, GM of Europe and Opel, its key subsidiary, will both be on track to return to profitability in 1987.

"If we get the expected sales volumes, it will be a profitable car and we will get a good payback," said Mr John Fleming, GM of Europe's vice president in charge of sales.

The Omega, to be launched across western Europe at the end of October, replaces the Opel Rekord, GM hopes to sell 175,000 Omega/Carlton models for the company with the company of the com next year compared with 103,000 Rekord/Caritons in 1985. Rekord sales reached their peak after a body change in 1978 with 260,000 registrations that year.

Although the new model will account for only a relatively modest proportion of GM's total West European car sales in 1987 — when the group expects its registrations to improve from 1.3m this year to 1.36m — it will provide a better and more profitable sales

By GM's reckoning, West European sales of executive cars of the Omega type have fallen steeply from an annual 1.5m in the late 1970s to 1.2m, but should hold at that level the large number of attractive

new entrants to the sector.
Omega competes with West German products such as the Mercedes 190, the Audi 100 and

give a better and more profitable

the new Scorplo/Granada from Ford of Europe. Other competi-tors include Renault's R25 and

with 19,500 registered last year. The Netherlands (12,000) and Belgium (6,000) are the other important European markets for the Omega.

Like the Rekord, Omega will

also be shipped in ktt form for assembly in South Africa. Mr Fleming says GM is looking seriously at the possibility of exporting the new car to the US but, if that project went ahead, "it would be two years down the road." down the road."

Included in the cost of the Omega/Carlton 's more than DM 1bn to modernise radically Opel's Russelsheim factory

during the past two years.

New equipment includes six large transfer presses with automatic tool changing taking due for a major overhaul and the control of the new equipment is less than eight minutes; a weld-

sub-assemblies about the plant; transmission manufacturing

A new, advanced-design sur-pension system which GM claims gives exceptional ride

and handling characteristics to the new models;

tors include Renault's R25 and in the UK the new Rover 800/
Sterling models.

About half Omega sales next year will be in West German; the UK provides the next mostimportant market and sales of about 25,000 Caritons compared with 19,500 registered last year.

The West Competitions in manufacturing with computer-controlled production lines and processes; off-acceptation of the cockpit and doors and fully-important market and sales of about 25,000 Caritons compared with 19,500 registered last year.

● A new range of four-cylinder engines, available in 1.8 and 3 litres with power ratings from 82 brake horse power to 122 bhp, developed from the units used in the Opel Kadett/ Vauxhall Astra and Opel Ascona/Vauxhall Cavalier

The Russelsheim factory was due for a major overhaul and much of the new equipment is ing line with 239 robots; 479 flexible enough to be used for driverless electric cars to move future models. The new suspen-

the replacement Senator and the engines—mainly built at Opel's Kaiserlautern factory, but with some imports from GM-Holdens some imports from in Australia can also in other models.

The four-speed transmission supplied by Asian Warner from Japan and re-cently offered as an option for

models is also an option for the Omega/Carlton.

Mr Fleming says the new range has better specifications than the old Rekord/Carlton models and prices will be a little higher to reflect that There is any a waver charge of engines—including disease and specifications to help bridge the gap between the Ascons/Cavaller and the Saustor.

In all, there will be 17 versions of the Omera/Cavallon available, with saloon or estate-

car bodies, topped by a sporty Omega 3000, incorporating GM's 3-litre engine and Boeck anti-skid braking (only an option on other models), which will

be launched early next year.
Opel spent DM 15hn in 1985
and this year will apand arother DM 125hn from its DM
6.2hn, 1985-90 investment, programme. Mr Fleming says that
total GM of Europe expenditure will now east a little because most of the necessary
factory refurbishing and reequipment has been completed.

GM's European operations last made a profit—\$6.2m—in 1982 Last year the net less was \$372.1m against \$291.1m in 1984. Opel's net loss last year was DM 135.5m, a major reduction from the DM 695m in hadly affected by the West Ger-man metalworkers' strike.

August 21, 1986

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Listing particulars relating to the State Bank of New South Wales and the Notes are available from Extel Statistical Services Limited and copies may be obtained during normal business hours on any weekday (Saturdays and public holidays excepted) up to and including August 26, 1986 from the Company Announcements Office of The Stock Exchange and up to and including September 5, 1986 from

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Notice is hereby given that in respect of the Notice is earney given trest in respect of the interest Priced from Anguet 21, 1966 to Nov-ember 21, 1995, the Notice well curry on interest. Bete of 6744% per annum. The emounts pay-till on November 21, 1986 eyeinst Coopen No. 19 will be Can. \$225.21 for Beazer Notes of Can. \$10,000 principal amount and Can. \$22.52 for Beaser Notes of Can. \$1,000 principal amount. Can. \$22.52 will be payable on each Can. \$1,000 principal amount of a Registered Note.

21 August, 1996 THE CHASE MANHATTAN, BANK N.A. 21 August, 1986

MANUFACTURERS HANOYER TRUST COMPANY £75,000,000
Floating Rate Subordinates
Capital Notes due 1994

In accordance with the provisions of the Notes, notice is hereby given that the Rate of Interest for the Interest Period 20th August, 1986 to 20th November, 1986 has been fixed at 912 per cent per annum. The Coupon Amounts will be £125.24 for the £5,000 denomination and £1.252.40 for the £50,000 denomination and will be payable on 20th November, 1986 against surrender of Coupon No. 8.

Manufacturers Hanover Limited

nufacturers Hanover Limited Agent Bank

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(with the right to subardinate)

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August 21, 1986, London By: Citibank, N.A. (CSSI Dept.), Agent Bank CITIBANCO

Weekly net asset value

Tokyo Pacific Holdings (Seaboard) N.V. on 18th August, 1986 U.S.\$ 142.26

Listed on the Amsterdam Stock Exchange

on: Plerson, Heidring & Pierson N.V., Hereograciil 214, 1016 BS Amster



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Bankers Trust Company, London

Agent Bank

AIBI		INDICES	3	
AMERICA EN	ROBOMO GURO	E AUGUST 1 Change	5. tsee	
	Ylold	on Week	5, tses 12 Months High	TZ MONCH
US Dollar Australian Dollar	8.933	-1.380	10.840	8.932
Canadian Dollar	14.476 10.479	0.344 0.437	14.630	12.670
Euroguilder Euro Currency Unit	6.037	0.050	11.820 6.400	10.436 5.971
Yen	. 8.371 6.246	-0.653	9.524	0.144
Sterling	10.373	0.287 0.537	7.250 11.932	6.233
Deutschemark Bank J. Ventobel &	6.400		7.210	. 9,751. 6,400
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CITICORP BANKING CORPORATION

U.S.SS0,000,000 Floating Rate Notes due August 20, 1989
Notice is hereby given that the Rate of Interest for the period August 20, 1986 to November 20, 1986 has been fixed at 6.2625% and that the interest payable on the relevant Interest Payment Date, November 20, 1986 against Coupon No. 1 in respect of US\$10,000 nominal of the Notes will be US\$16.004.

August 21, 1986, Landon By: Chibank, N.A. (CSSI Dept.), Agent Bank

# INTERNATIONAL COMPANIES AND FINANCE

# Four Turkish state-owned banks may be merged

BY DAVID BARCHARD IN ANKARA

tant state banks, Etibank, Deniz- following bad loan decisions manning.

cilik Bankasi Sumerbank and earlier this decade. Its branches The model for the current cilik Bankasi, Sumerbank and earlier this decade. Its branches the ailing Anadolu Bankasi may were recently temporarily be merged to form a new bank-ing and industrial conglomerate when the privately owned which would then be privatised, a Turkish public sector banker said yesterday. Turkish public sector banker aid yesterday.

Mr Turgut Ozal, the Prime envisaged is to link it with

Minister, will make a final intrinsically profitable state decision on the possible merger banks with substantial commer-in October after he receives a cial or industrial activities study now being drawn up by hehind them. his economic advisers. One of them, Dr Bulent Semiler, is most of the country's publicly owned shipping, while Etibank is one of the biggest headaches the Covernment faces.

profits at

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المحتدد المتح

Wereldhave

By Laura Raun in Amsterdam

WERELDHAVE, the Dutch

property investment fund, raised investment profits by 12

per cent to Fl 29.8m (\$12.8m) in the first half of 1986, mostly through the takeover of BBVG,

a small Dutch investment

Wereldhave's public bid re-

cently ended successfully with acquisition of 99 per cent of BBVG, which will increase

Wereldhave's investment port-

folio by Fl 100m. Based in The Hague, Wereldhave already was

the largest property investment company in the Netherlands, with sizeable holdings in the US as well as in Europe.

profits per share for all of 1986 would at least equal the Fl 10.60 of 1985. An unchanged interim dividend of Fl 4.75 per share

| ST DOLLAR | TREASMENT | Second State | State

Wereldhave forecast

FOUR OF Turkey's most impor- on grants from the Treasury and high levels of over-Akbank took it to court.

the Government faces.

Formed two decades ago when the state rescued several insolvent private banks, Anadolu Bankasi has never been genuinely profitable and is currently believed to be surviving and mining agency. Sumerbank, balance between the state and on which the Boston Consulting private sector banks in Turkey. At present the state's 12 banks in the country's largest account for nearly 70 per cent textiles manufacturer but the moves to privatise it have so genuinely profitable and is currently believed to be surviving lems as its outdated machinery all.

proposal appears to be Turkiye Is Bankasi, a large bank which

straddles the boundary between the public and private sectors and controls a vast but little known industrial empire, believed to be far larger than either the KOC or Sabanci groups, Turkey's two largest private sector corporations. News that Dr Semiler is at

work on proposals to merge and privatise the four banks is of particular interest since it indicates that the government is contemplating altering the balance between the state and

### Acquisition lifts Sandvik ahead at half way despite fall in US sales

BY SARA WEBS IN STOCKHOLM

steels and cutting tools group,
steels and cutting tools group,
sales and saws and tools were
of SKr 926m (\$135m) before up 4 per cent. Invoiced sales
appropriations and taxes, a rise for process systems were down
of 8.4 per cent on the SKr 854m
of the first half of 1985.

Sidary, cutting tools showed a
sales and saws and tools were
of per cent. Invoiced sales
for process systems were down
of the first half of 1985.

the same level of earnings for half of 1986 is more favourable. the full year as in 1985.

ESAR the world's leading Sandvik has felt the effect of a lower dollar. Invoiced sales dropped by 22 per cent in North America to SKr 921m compared with SKr 1.18bn in

the first half of 1985.
The group remains cautious about the West European market for the rest of the year, and feels that demand from this important market may drop. At its Cemented Carbide sub-

FT INTERNATIONAL BOND SERVICE

Listed are the 200 latest international bonds for which there is an adequate secondary market.

SANDVIK, the Swedish special sidiary, cutting tools showed a

Invoiced sales rose by 2 per Carbide came mainly from the cent to SKr 6.39bn, compared metalworking area, helped by with SKr 6.28bn, while order lower raw material prices. Intake dropped by 3 per cent to SKr 6.55bn. Steel was affected by a cut-back in investment activities The group expects to achieve but the forecast for the second

> ESAB, the world's leading manufacturer of welding equipment, has announced a drop in profits after financial items from SKr 99m to SKr 97m (\$14m) for the first six months of the year. Invoiced sales increased to SKr 2.02bn against SKr 1.97bn for the first half of last year.

> The group's order intake rose by 13 per cent to SKr 2.31bn against SKr 2.04bn,

Closing prices on August 20

# Nordisk Gentofte in **DKr 180m** flotation

By Hilary Barnes in Copenhagen NORDISK GENTOFTE, the world's number three insulin producer after Eli Lilly of

the US and Novo, which is also Danish, launched a DKr 30m nominal B share issue yesterday to raise DKr 180m (\$23m) together with an application for a listing on the Copenhagen Stock Ex-

change. Nordisk was hived off from self-owning foundation. Nordisk Insulinlaboratorium, to become a private limited company in 1984. The new issue is its first offering to a wider public. although it made a private placement in 1985 to investors in the UK and Denmark.

and Denmark.
Nordisk has expanded rapidly over the past 10 years, with sales, of which 91 per

rent are exports, accelerating from DKr 50m in 1975-76 to DKr 809m in 1985-86.

The issue prospectus predicts a 14 per cent increase in sales to DKr 922m in the current year with net profits expected to increase from DKr 75m to DKr 85m. The issue will be made by tender with a minimum price of DKr 600 per share of DKr 100. Of Nordisk's sales, 78 per cent come from insulin, in

which it claims market shares of 75 per cent in Denmark and Norway, 26 per cent in Sweden and the UK and 16 per cent in West Germany. But the prospectus predicts that an increasing proportion of future sales will come from blood plasma products and growth hormones, in both of which Nordisk is already a leading supplier.

Paid-up share capital at the end of last year was DKr 173m, total shareholders' equity was DKr 371m and total assets DKr 1.06bn. Fol lowing the share issue, paid up capital will be DKr 204m, total equity capital DKr 616m and assets DKr 1.2hn, according to the prospectus.

### First stage of VW issue this autumn

THE SUPERVISORY board of German motor vehicles group, yesterday approved plans for a 25 per cent increase in equity capital to DM 1.5bn (\$723m).

By David Brown in Frankfurt

The issue of 6m non-voting preference shares, announced at the shareholders meeting in July, will reduce the public sector equity stake in the as early as this autumn, although its voting power will remain unchanged

The nominal DM 300m issue is to be carried out in two stages. Ordinary shareholders will be offered one non-voting will be onered one bon-voong share for every four nominal DM 30 shares they currently hold, a total of 3.6m shares, at a price to be fixed in the first week of September. Currently, Volkswagen shares are trading at around DM 509.

Neither the Federal government nor the State of Lower Sayony both of which

Lower Saxony, both of which hold a 20 per cent voting stake in the group, will exercise their option under the rights issue.

The remaining 2.4m shares

are to be offered to the public at a later date under acceptable market conditions," in a second stage to he lead-managed by Deutsche

The Federal Government earlier this summer anearner this summer au-nounced plans to privatise its 20 per cent holding some-time next year while Lower Saxony will retain its stake.

# Rabobank net income shows modest rise

By Our Amsterdam Correspondent

RABOBANK, the leading Dutch co-operative bank, lifted net income by only 2 modest 4 per cent to F1 346m (\$149.5m) in the first half of 1986 from Fl 333m a year earlier due to lower contribu-tions to loan-loss reserves. The bank expects earnings for the whole of 1986 to at least match the Fl 568m of 1985. Rabobank's first half result is in line with that of Algemene Bank Nederland, the largest commercial bank, but for below that of Ameter. but far below that of Amster-dam-Rotterdam Bank and Nederlandsche Middenstands-

Gross profits fell 4 per cent to F1 694m in the first six higher expenditures, notably for more employees and other costs. Loan-loss provisions were lowered by 18 per cent costs. Loan-loss

Corporate lending, for example, expanded by 4 per cent on increasing demand small and mediumsized businesses, especially in the agricultural sector. Rabobank, which is based in Utrecht, is the Netherlands' largest lender to the agricul-

tural industry. Overall revenue climbed 4 per cent to F1 2.16bn, lifted mostly by a 14 per cent rise

# **Eurobonds firm but few new deals**

son's parent company, American Express Credit Corporation. The seven-year bond is split into two \$100m tranches. One is priced at 100% with a coupon of 72 per cent and payable in full. The other bears the same coupon but has an issue price of 100%, with only 10% payable for the first year.

The tranches were launched at yield spreads over US Treasury bonds of 85 and 88

from its level at issue.

The Canadian dollar market

was quoted at a bid price of 98;, as against a 100; issue price.

Treasury bonds of 85 and 88 basis points respectively. They both traded at discounts to issue price within the level of their total fees, although the fully-paid tranche outperformed the nartly-paid bond.

The nartly-paid bond.

Cansil00m ten-year bond for matter to Cansil00m ten-year bond for coupon was fixed at 9½ per cent (Overseas) was co-manager.

Final terms will be fixed on September 5, but the conversion market saw its 50th issue since premium should be set at 10 if was reopened in April last per cent over the average price it was reopened in April last five days. ICN

MOST SECTORS of the Eurobond market were firm yesterday though only a trickle of new deals emerged, following fairly heavy issuing volume earlier in the week.

Shearson Lehman Brothers International issued the only fixed-rate dollar bond of the day, a \$200m offering for Shear-only showed a 10 basis point increase from its level at issue.

French franc floating-rate note with interest payments linked has moved from \$18\hat{i}\$ on August 19.

The money market rates. This was a FFr 750m seven-year bond for homoey market rates. This was problem to money market rates. This was a FFr 750m seven-year bond for homoey market rates. This was a FFr 750m seven-year bond for homoey market rates. This was a FFr 750m seven-year bond for homoey market rates. This was a FFr 750m seven-year bond for homoey market rates. This was a FFr 750m seven-year bond for homoey market rates. This was a FFr 750m seven-year bond for homoey market rates. This was to money market rates. This was a FFr 750m seven-year bond for homoey market rates. This was to money market was quoted at a bid price of 99.95 yesterday.

99.95 yesterday.
In the Euroguilder market, the first convertible for a has sustained a relatively heavy onslaught of new paper recently and yesterday the deals were moving slowly. In particular, a recent 9 per cent five-year bond for Farm Credit Corporation was coursed at a hid price of 981. the US company, with a final maturity of eight years but a six-year average life. The bond Nevertheless, McLeod Young is first callable at par, then at Weir International seemed to meet good demand for a new Cansloom ten-year bond for Canadian National Railway. Its coupon was fixed at 92 per cent and the issue price at 1011.

The Nevertheless, McLeod Young is first callable at par, then at declining premiums. Van Garaviller, Kurz, Bungener coupon was fixed at 92 per cent and the issue price at 1011.

The Condition of the Condition of

the partly-paid bond. market saw its 50th issue since premium should be set at 10 issue a S
Elsewhere in the fixed-rate it was reopened in April last per cent over the average price soon thro
dollar sector, yield margins on year, and only the second during the last five days. ICN poration.

Nevertheless, a recent equity warrants bond for Benetton was quoted as high as 1174 on the bid side, as against a par issue price.

Today, Deutsche Bank is expected to issue 250,000 oneyear warrants on their own into a 6 per cent 10-year bond.

In the Swiss franc market yesterday, a SFr 75m five-year 64 per cent dual-currency issue for Ford Credit Canada traded for the first time. It closed at price, a slightly lower level than had been expected. The Metropolis of Tokyo is expected to issue a SFr 100m public bond soon through Swiss Bank Cor

# **Eurosterling sector reopened**

BY OUR EUROMARKETS STAFF

20-year Eurobond yesterday, reto impose a point stamp duty opening the long-dated Euro- on trading in domestic loan sterling market for British cor- stocks, which had been the Briporate borrowers.

The market has been closed tional source of long-term funds. for the last four months although. It was announced at the end of eight companies, including Han-April, however, that this duty son Trust and ICI, launched would be removed from the 1986 long-dated deals during March Finance Act. and April of this year.

But the Eurosterling sector
Yesterday's deal was triggered has other advantages over the

by the gilt market's recent bul-lish tone, sparked by stronger slightly less restrictive and Con-US credit markets and a firmer tinental buying should make an

TRAFALGAR HOUSE, the UK market was originally opened had decided him in favour of construction, shipping and pro-perty company, issued a £100m prise move in his last Budget bond. Trafalgar House is seeking long-term funds for its planned increased property development

tish corporate sector's tradishort-term debt in John Brown. its engineering subsidiary. Yesterday's bond, led by

Kleinwort Benson pays a coupon of 10; per cent and is priced at 1001. At launch, it gave a yield of 115 basis points over the Treasury 131 per cent 2004/08.

UK institutional interest in pound. This has enabled a recent long-dated tap stock to be absorbed.

The long-dated Eurosterling said yesterday that these factors side.

The long-dated Eurosterling tolying should make an issue and it traded well within its 2½ per cent fees at 98½ on the bid side.

### **GPI** Leisure plans A\$100m share offer

By Alexander Nicoli

GPI LEISURE an Australian hotel concern, is planning a AS100m share offering of which 30 per cent is being distributed from London, Five of GPI Leisure's seven

directors are also directors of Greater Pacific Investments. which plans to take 30 per cent of the issue. GPI Leisure plans to invest in the leisure indus-

ment so far is a 49 per cent interest in Austotel Trust, with 26 per cent held by Mr Alan Bond and 25 per cent by BLM Hotels, a company associated with Mr Bruce Mathieson, who has specialised in refurbishing

Mr Mathieson and the Bond Group, which has various leisure interests, have a 10-year Echo Bay lifts quarterly income contract to manage Austotel's 267 hotels, which have been under Bond Group's control since it acquired Swan Brewery in 1983 and Castlemaine Toohevs last vear.

Austotel Trust was then set up to acquire the hotels, which are mainly in New South Wales

and Queensland.

The offering of 100m shares at \$1 each is underwritten by Potts West Trumbull, Spedley Securities and Alexanders Laing and Cruickshank, which is handling the UK portion.

# ECHO BAY Mines, one of Canada's past half-year of 141,100 oz against 1989. Meanwhile, commercial pro-

BY KENNETH MARSTON, MINING EDITOR, IN LONDON

second-quarter earnings to C\$6.3m (USS4.5m) from C\$5m a year ago. This brings the total for the first half of this year to C\$13.6m, or 33

with US\$321 per oz.

study was started at the beginning Western Australia that ore reserves cents a share, compared with C88m of the year into a "significant" ex- at its North Morning Star prospect in the same period of 1985.

The good performance stems of the year into a "significant" ex- at its North Morning Star prospect in the Sound Mountain op- in the Mount Magnet area have eration. Given the go-ahead, this ex- been increased to more than 1.5m

leading gold producers, has lifted 123,000 oz and an average gold price duction at the Sunnyside gold and second-quarter earnings to C\$6.3m received of US\$339 per oz compared silver mine in Colorado is expected in the current quarter.

Echo Bay said that a feasibility • Metana Minerals reports from The good performance stems eration. Given the go-ahead, this ex- been increased to more than 1.5m from increased gold sales in the pansion should be completed in tonnes grading 4.4 g gold per tonne.

**NEW ISSUE** This announcement appears as a matter of record only.



# C. ITOH & CO. (AMERICA) INC.

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Interest Amount per U.S. \$50,000 Note due 21st November 1986

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U.S. \$300,000,000

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65/16% per annum

Interest Period

21st August 1986 23rd February 1987

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per U.S. \$100,000 Debenture U.S. \$3,261.50

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VEN STRANSITS | based | Bid | Office | Str. |
Am. Exp. 0.5. Cr. 9-192 | 20 | 993 | 1004 | 0

Oceanark 6-7 90 | 10 | 1694 | 0

Dow Chemical 6-107 | 25 | 1024 | 10 |

E18 6-1 96 | 25 | 1024 | 10 |

Province as Qualut 6-90 | 20 | 1994 | 1094 | 457 |

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9,80 16,93 16,93 16,210 7,57 16,14 6,25 5,87 10,13 9,32 10,26 10,1 

\* No information available—previous day's price. ' † Only one market maker supplied a price.

Convertible Bends: Denominated in doltars unless otherwise indicated. Chg. day=Change on day. Cnv. date=First date for conversion into shares. Cnv. price=Nominal amount of bond persture expressed in currency of share at conversion rate fixed at issue. Pretine Percentage premium of the current effective price of acquiring shares via the bond over the most recent price of the

Straight Bonds: The yield is the yield to redemption of the mid-prior; the amount issued is in millions of currency units except for Yes bonds where it is in billions. Change on week = Change over to Fl 225m.

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# WH Smith rises 14% and hits £49m target

SHARPLY HIGHER contributions from its retailing and DIY activities enabled W H Smith & Son (Holdings) to lift its 1985-1986 profits by 14 per cent, from £43.05m to £49.2m at the pre-

The figures were struck diter providing £2.3m for the reorgan-

£43m acquisition of the Our Price record shop chain, Smith's chairman, Mr Simon Hornby, forecast profits in excess of £49m before taking account of possible provision for rea possible provision for re-organisation estimated at £3m. from existing selling space was

The year to May 31, 1986 saw group turnover improve from £1.07bn to £1.28bn, excluding Losses of wholesale news sales through industrial disputes totalled £10.7m, almost double 1984-85's £5.9m. Of the total, loss of sales from News International titles reached 17.5m and in a full year the figure was expected to total

As already announced, the reduction in wholesale news sales had resulted in 118 jobs being lost on the wholesaling side in London, with the remaining 600 full-time staff agreeing to a £40 a week wages cut. Group trading profits for 1985-86 advanced by £9.4m to

Pre-tax results took in property profits, less relocation costs amounting to £2.76m

Atlantic Comps. ...int. 1.12 Britannic Ass. .....int. 11

Dewey Warreut ...int. nil Electron Houset ..... 2

Finlan Group ...... 2
Gartmore Inf. ....int. 0.43
Horizon Travel ...int. 0.88

Microvitec‡ ......int. 0.5 W. H. Smith "A" ..... 4

Tax accounted for £19.03m (£17.32m) and left net profits £4.43m ahead at £30.17m. Earnings improved to 17.19p (14.84p) and a final dividend of 4p on the "A" shares makes a net total of 6p (5p). "B" shareholders receive a final of 0.8p, making 1.2p (1p) net.

isation of the London wholesale news business to cope with News International's move to Wapping and the emergence of Mr Eddie Shah's Today.

In April, at the time of the farm acquisition of the Committee of the contributed profits of £33.09m, an increase of 31.5 per cent a major factor in generating this volume growth.

There was rapid growth in 36 outlets: its established shops achieved good sales increases over the previous year following Websters with Bowes & Bowes. There was repid growth in the group's specialist recorded music chain to 159 shops and the acquisition of the 125 Our Price shops raised Smith's overall market share from 12 per cent to 18 per cent.

Book Club Associates, which is operated as a joint venture with Doubleday of New York, achieved an increase in both sales and profits.

In North America, the retailing activities took a major step forward with two significant

acquisitions. The Canadian bookshop chain costs amounting to £2.76m The Canadran bousting chair (£461,000), and a £61,000 improved both sales and profits (£568,000) share of related companies' profits. They were also struck after interest charges this time of £5.02m, number of bookshops from 85 against credits last time of £5.02m to 195 and market share from £37,000.

2 3.8 0.43 — 0.88 — 0.5 — 3.3 6 0.66 1.2

0.8 — 2.2 0.63 1.15 1.05

Date Corre- Total

Current of sponding for payment payment div. year at. 1.12 Oct. 17 0.56\* —

Oct. 17 Oct. 17 Oct. 10



Mr. Simon Hornby, the chairman of W. H. Smith

group added 19 card shops to in the period before and after make the Celebration chain 61 the purchase.

hotels, airports and railway stations across America. Sales for the eight months since acquisition were 32.4 per cent above the corresponding period last year, reflecting in part the impact of the large number of new outlets that were opened

in total.

Smith obtained a retailing have been affected by the interest in the US via a £47m directors' decision to invest in acquisition late last year of the acquisition late last year of the 216 strong Elson chain which that news and gift shops at batels always and milway to the color of the strong in the UK interested to stores in the UK increased to £106.84m (£76.23m) and trading

profits were up by 41 per cent to £6m. Established stores achieved average volume in-creases of 10 per cent above the previous year.

During the year 13 new stores

were added, increasing total selling space to 1.94m sq ft in 64 stores. The directors plan to open at least 20 stores in 1986-

The profit contribution from the group's wholesaling businesses was £13.07m (£13.99m) and was struck after the £2.3m provision for the reorganisation of the London wholesale news

Total sales of news whole-saling in the UK increased by 4.5 per cent to £451.31m. Sales of daily newspapers were 1.9 per cent up on last year and sales of periodicals and magazines rose by 8.3 per cent reflecting both publishers' successes with the launch of new titles and the group's progress with systems for sales development.

The group's book distribution and publishing businesses in both the UK and the US had combined sales for the year of £40.85m, an increase of 27.3 per cent over 1984.85. In the US a loss was again incurred but in the UK, sales were well

above target and trading results were "very satisfactory." In the television services division, Lifestyle, the daytime programming channel, was launched in October 1985 and has been favourably received Screen Sport — the sports channel—has started its planned expansion to Europe and Yorkshire Television is having a much improved year with the upward trend in television

advertising revenues.

A geographical spread of group turnover and pre-tax profits shows: UK £1.15bn (£1.01bn) and £47.44m (£41.31m), Europe £5.15m (£4.67m) and £610,000 (£524,000), Canada £56.34m (£38.39m) and £1.8m (£1.42m) and the US £69.69m (£10.37m)

# predicts 9% profits increase By Lionel Barber

AE, the motor components

**AE** defence

group contesting a £260m bid from Turner & Newall, the mining and engineering group, yesterday predicted a per cent rise in pre-tax profits for the year to September 39, 1986.

It also proposed a 50 per cent increase in the total dividend to 7.5p net. The profit forecast was

ahead of City expectations but included a £2.9m saving arising from reduced pension fund payments. AE is forecasting a 14 per cent rise in earnings per share to at least 20.7p for 1985-86.

The profit forecast came in a shareholders' circular responding to Turner's revised cash and shares offer which includes a cash alternative of 240p per share.

or 240p per share.

AE rose 3p to close at 235p, while Turner edged up 1p to close at 194p. Turner is offering one new share and 70p in cash for each AE share which values the motor components group at 264p per share.

Sir Francis Tombs, Turner's

Sir Francis Tombs, Turner's chairman, secured, support for the offer at a briefly boisterous extraordinary general meeting of shareholders yesterday.

During the meeting, Mr Bob Barber, a motor industry analyst from brokers Phillips & Drew, produced a letter from General Motors the US car manufacturer, which expressed concern about the threat to AE's independence threat to AE's independence from the Turner bid.

Mr Barbar, who said he was not acting on behalf of Philips & Drew, agreed that he had been given the letter by the AE camp.

Sir Francis, briefly taken aback by the letter, later pointed out that General Motors was a long-standing customer of Turner. "I have a lot of experience of US companies. They always buy the best quality available," he

Sir Francis added that the AE profit forecast should be viewed in the light of its interim figures (£11.6m pre tax) and the bid circum-stances in which it was made. stances in which it was made.
In the circular, Sir John
Collyear, AE chairman, repeated his argument that
Turner was an "unacceptable
bidder" which had failed to
demonstrate any industrial
logic for its offer. He said that if Turner was successful, its earnings per share dilu-tion would be "well into

double figures." Sir Francis said dilution would be between 7 and 8

# **Atlantic Computers** hits £8m and order book is buoyant

THE SIX MONTHS to June 38 pany called Peakhurst Corpora-1986 saw profits of Atlantic tion.

0.56p to 1.12p net per 10p share. 14.92 per cent shareholding in The directors said yesterday Atlantic. that the company had cash and unutilised bank facilities totalling in excess of £45m and added that the balance sheet lation to

remained strong. It was pointed out that the order backlog within the IBM computer systems division was higher than it had ever been at this stage of the year, and that a number of new products were due to be delivered by both Digital and IBM during the second six months.

In all, the directors viewed the future with confidence. During the first half pressure on sales volumes and margins

had continued. Sales of Lion Systems data communications products were below budget and as a result profits of the manufacturing division were below expecta-

of Atlantic shares changed one tantalising thought is that hands in a £13m deal involving Atlantic could buy United out a Panamanian-registered com- of its petty cash.

Computers rise from £7 to Freshurst, which currently £8.4m from a turnover £21.8m holds 15.4 per cent of Atlantic's ahead at £77.4m.

The figures were at the top end of City estimates.

From earnings of 15.3p (12.54p) the interim dividend is being lifted from an adjusted 0.56p to 1.12p net per 10p share.

Mr John Foulston, Atlantic's chairman, said: "The shares are ridiculously cheap in relation to the company's results because of factors beyond our

"If the share price continues to fall as a result of action taken by other computer lessing companies or because of market conditions, there will come a point where it is in shareholders' interest to buy in an appropriate number of shares."

comment

Atlantic Computers' interim figures lacked their usual lustre, but then they did compare with a half-year boosted by the rush to beat changes in capital allowances. There was also a hiccup from Lies Systems, whose contribution fell by \$450,000 because of higher-Th directors said, however, that a number of important orders were taken for network management systems and Lion was expected to announce two new and "very important" data communications products during the third quarter.

MPL Power Systems was also expected to announce a new excepted to announce and poor sales of existing and products. The group is an analysis are formed to the sale of existing and poor sales of existing and existing and products. port product.

With the anticipated contribution of these new orders and products to the second half results, the directors were optimistic that the manufacturing IBL and United Leaving brush. The provision for a share buy-in may urove limited in its effects ear. may prove limited in its effects
Shareholders are to be asked as a stain remover: its most to give the company authority obvious ramification would be to make market purchases of up to turn the Jaggers' and to 3.5m of its own shares for cancellation at a maximum a bid-blocking majority. There a bid-blocking majority. There is nothing, however, to prevent In April, a 9.4 per cent block a move in the other direction:

### Cambium Venture rights terms

The £0.94m underwritten rights issue announced by Cambium Venture Capital last

month will be on a one-for-one basis at 11p per share. The directors said yesterday that the rights proceeds would provide the company with funds to make a further investment of £105,000 in Calecom Holdings and also give support to those of Cambium's other investments of Cambium's other investments trade name is Decisions, is which were considered capable phoning Extel shareholders to of making progress towards the consistent levels of profitability

required for admission to one of the public markets. The cash raised would also provide additional funds for new investments

Gartmore Inf.

The net asset value at Gart-more Information & Financial Trust was 71.4p per share at June 30 1986, compared with 63p six months earlier.

An unchanged interim divi-dend of 0.425p is being paid.

### Extel on hotline to shareholders

By Lionel Barber Extel, the financial information group, has hired a market-ing agency to telephone its 2,200 shareholders in a bid to drum up support for its con-tested \$40m acquisition of Dealers Digest, the US finan-

cial database and publishing company.
Telephone Marketing, whose ask them to vote at the forth-

coming extraordinary meeting, required to approve the deal. Proxies have to arrive by August 27. August 27.

The acquisition is opposed by Mr Robert Maxwell, the publisher, who says the price is too high. Mr Maxwell, who holds 27 per cent of Extel, presents a formidable obstacle even though the deal results a simple control.

though the deal requires simple majority support only from shareholders.

Kleinwort Benson, advising Extel, said that the marketing agency was not putting pressure

for 1985 the total payment was agency was not putting pressure on shareholders to support the last on shareholders to support the deal. It was merely reminding against losses of 0.1p, after tax of £232,239 (£243.493). Net revenue totalled £26,640 to reveal the cost of the exercise.

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والمراجع المحارب

# **TOP 500** The performance 1970-1986

Dividends shown in pence per share except where otherwise stated. \* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ USM stock. § Unquoted stock. § For 15 months. § For 12 months.

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Since 1970 The Banker has researched and published the asset size of the 500 largest commercial banks in the world. As this data is now incorporated within so many information systems by treasury departments worldwide we believe that the historic performance of all the banks which have been included throughout the long period we have been publishing the research would be of considerable value. The Banker will, therefore, be publishing in its forthco

August issue the ranking of each bank since 1970 up to the

Over this long period the influence of currency movement against the US dollar has played a major part in the ranking of banks; we are, therefore, arranging the ranking by country which will be helpful in assessing the individual performance of each bank

in the context of its own base country's economy. We are sure that this information will become a valuable record, along with the Top 500 data in this issue, and be used by bank and corporate treasurers throughout the year. Full details of the cost of advertising within this important study along with our future publishing programme are available from:

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The Marketing Director THE BANKER 102-108 Cierkenwell Road, London EC1M 5SA

# Pavion converts loan stock

Pavion International, the cosmetic group, yesterday unveiled proposals for the early conversion of its convertible loan stock but also said that its loan stock but also said that its for the six months to conversion rate of 250 ordinary for every £100 nominal.

Pavion said conversion of the stock would mean an increase in net tangible assets and a reduction in group borrowings which would support its expansion plans, avoid any possible breach of its borrowing covenant on its loan stock trust deed, and would help complete the rationalisation of a number of loss-making subsidiaries.

The company was formerly known as Sangers but adopted its new identity in 1985 when it took over Pavion, a US com-

Full conversion would mean the issuing of 33m new ordinary shares. There are 60.9m currently in Issue. In an update on its trading position, Pavion said that it had introduced its range to the K-mark retail stores in the US.

Its products were now sold in France and would be introduced in the UK this autumn The manufacturing and ware-housing capacity had been expanded and new racks were being introduced to market the acceptances amounting to 79.7 goods which had received a per cent for its bid for the

Pavion now wants to convert adversely affected by invest ment in additional warehousing and the initial costs for file introduction of the range into K-mark stores." No dividend is anticipated for the year to next Feburary.

The company said its current net tangible asset base was in sufficient to support its planned expansion, which included a major new marketing strategy involving an increase in the range of products offered. This required a high cash investment in working capital and development expenditure.

Bank of Scotland Bank of Scotland has received

it took over Pavion, a US constant of the cons rights issue and the issuing of encouragement about future has agreed to acquire a total 29.2m of 11 per cent loan stock prospects, "the trading position of 87.1 per cent of the Company has been mercial Bank of Wales.

### COMPANY NEWS IN BRIEF

DEE CORPORATION chairman, Mr Alec Monk said in his annual report that the oppor-tunities to further expand the business (the acquisition of Herman's Sporting Goods, Woolco and Fine Fare) would not have been possible without the platform of existing profitability. He said that during the last five years the company's fortunes and standing had been transformed. The recent major acquisitions promised to make the next five years equally exiting and beneficial.

COLOROLL GROUP has accept-ances for 81.4 per cent of Staffordshire Potteries ordinary shares and 22.7 per cent of the preference. Together with shares already owned, it lays claim to 89.9 per cent of the ordinary and 97.6 per cent

preference. Both offers remain open until further notice, but the cash alternatives HOBSON, USM-quoted extru-

sion die maker, received accept-ances for 3.93m (94.48 per cent) of the 4.16m new ordinary shares offered by way of rights. The balance has been sold in the market. AVON RUBBER has sold two subsidiaries, ALH Systems and Avon Lippiatt Hobbs (Contract-

ing), which formed the operat-ing arms of the Avon Lippiatt Hobbs Group, to management buy-out teams. MOORGATE GROUP said dis-

ing. It was anticipated that these discussions would continue for a number of weeks and it was unlikely that a final announcement of the outcome would be made before the end of September. BROMSGROVE INDUSTRIES

bas conditionally agreed to acquire Vetchberry, a private company trading as Vetchberry Steels, for an initial consideration of £0.5m. In the year to end-March 1986, Vetchberry made taxable profits of £115,787, and net assets at that date totalled £128,695.

SIDNEY C. BANKS' chairman, cussions concerning the pro-posed acquisition of Poulter statement that he anticipated Tenneson Co, originally that the year 1986-87 should expected to be concluded by the

GLANFIELD LAWRENCE has GLANTIELD LAWRENCE mas invested just under £0.5m in a 17 per cent stake in Griffis Metals, a refiner of computer scrap based in Wales. The in-vestment represents part of a £1.5m fund raising exercise put together for Griffis by Schroder Ventures to capitalise Grid and allow it to start trading.

DERWENT VALLEY HOLD-INGS has completed the acquisition of the issued share capital of Itkin Properties (London) for a consideration of

end of July, were still proceed- £442,000 payable as to £292,000 cash on completion and the issue of £150,000 loan notes re-deemable on or before June 19 1991. The book value of the net assets acquired, as at March 31 1986 was £374,000. CARCLO, together with parties

acting inconcert, now owns or has received acceptances in respect of 4.17m Bruntons (Musselburgh) ordinary shares, representing 52.17 per cent of the ordinary share capital of Bruntons. Accordingly, Carcio has walved the condition as walved the condition as has waived the condition as to acceptances and has declared the improved offer uncondi-tional in all respects. The offer remains open until further PAUL MICHAEL Leisure Wear;

PAUL MICHAEL Leisure Wear; the cash offer of 161p per share by Cleves Investment has closed, Immediately prior to the offer, Cleves held 4.03m shares (55 per cent). No acceptances have been received and Cleves has not acquired or agreed to acquire any shares since the announcement of the offer.

LADBROKE INDEX 1,271-1,277 (-1) Based on FT Index Tel: 01-427 4411



(Investment Company with variable capital) 23 Nassaulaan-P.O. Box 85660 2508 CJ The Hague (Netherlands) INTERIM DIVIDEND

The Board of Management have decided to pay an Interim
Dividend of Dfl. 4.75 in cash per Ordinary Share of Dfl. 20.00 each
for the financial year 1986. The Interim Dividend will be payable,
less 25 per cent. withholding tax, from 29th August, 1986 on
presentation of coupon No. 32.
Dividend coupons for cash payment may be presented at
Pierson, Heldring & Pierson N. V., Algemene Bank Nederland N. V.,
Cooperatieve Centrale Raiffeisen-Boerenleenbank B.A.,
Bank Mees & Hope NV. Credit Lyonnais Bank Nederland N. V.,
Kempen & Co. N. V. in Amsterdam, The Hague, Rotterdam and
Unacht, in so far as there established, or at the offices of Morgan
Grenfell & Co. Limited, New Issues Department, 72 London Wall,
London EC2M SNI.
The interim report for the first six months of 1986 will be available
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By Order of the Board of Management

GRANVILLE

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Price Change div.(p) % Actual taxed

18.3 3.9 11.4 11.6 11.6 7.8 10.3 8.9 5.1 4.8 13.8 15.8 5.4 4.9 8.9

Public Works Loan Board rates Effective August 26 Quota toans repaid

Over 25 9 9 9 9 101 101 101 101 101 101 Non-quota loans B are 1 per cent higher in each case than non-quota loans A. † Equal instalments of principal. ‡ Repayment by half-yearly annuity (fixed equal half-yearly payments to include principal and interest). § With half-yearly payments of interest only.

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TRUSLOVE & HANSON - BOOK CLUB ASSOCIATES

# **UK COMPANY NEWS**

# Horizon £5m in loss at midyear

Horizon Travel yesterday revealed that for the six months to May 31 1986 it had incurred a loss of £5.44m pre-tax compared with previous profits of

The corresponding figures, The corresponding figures, however, took in a £0.61m currency gain and a £13.71m profit on fleet re-equipment. This compared with other operating income this time of £2.6m.

In order that the group's financial year should more closely correspond with the holiday seasons the directors have decided to change the year-end to October 31.

They anticipated that profits

They anticipated that profits for the final five months would eliminate the opening six months' losses. Profits for the full 1984-85 year improved from £12.52m to £14.46m.

Meanwhile, the interim dividend is being held at 0.88p net. Loss per 25p share emerged at 7.87p, against previous earnings of 25.68p.

The directors have embarked upon a marketing strategy focused on substantially in-creasing the group's market Last winter this produced an

increase of 25 per cent in passengers carried to a total in excess of 145,000. Furthermore, the pursuit of this strategy had resulted in a near-doubling of bookings in the current summer, with an expected final total close to 500,000. Final load factor would be in the mid-

Intense price competition to-gether with increased costs of supporting the expanded air-craft fleet during the winter months had had a negative effect on the results.

The first half saw turnover improve from £45.58m to £58.25m but trading losses, including interest, rose by £2.62m to £6.44m—the group's principal activities take in

HORIZON 90 FT-Actuarles All-Share 70-

charter operations, hotels and

travel agencies.

The pre-tax result also took at £3.53m, compared with last

At May 31 cash in hand totalled £35.89m, an improvement of £6.62m on the comparable figure and some £10m ahead of the figure standing at November 30 1985. As previously announced, the group has established a joint venture with Singer Link Miles

# 60-50-

account of a £1.6m (nil) share of losses of a related company. There was a tax credit this time of £1.9m (£140,000) and minorities accounted for £6,000, against a previous £30,000. The available deficit worked through time's surplus of £10.87m.

to develop the existing flight training facilities with the addition of a second simulator. The partial disposal of the group's interest in the original simulator realised a profit of

### **BOARD MEETINGS**

The following companies have notified
dates of board meetings to the Stock
Exchange. Such meetings are usually
hald for the purpose of considering
dividends. Official indications are not
available as to whether the dividends
are interims or finals and the sub-
divisions shown below are based
mainly on last year's timetable.

ī	industrial Finance and investment,
	United Packaging.
,	FUTURE DATES
	interime—
Ė	Acorn Computer Sept 1
•	Laing Properties Sept 30
•	Marston Thompson
L	and Evershed
	Mellerware International Sept 8
	Nichols (J.N.) (Vimto) Aug 22
	P-E International Sept 15
	Pentos Sept 4
	Redland Nov 27
	Fineis—
	Arbuthnot Govt Securities Tst Sept 17

# HAMPSON

RECORD PROFIT FOR THE THIRD YEAR IN SUCCESSION

Bonus Issue of one for ten proposed

Results to 31st March	1986	1985
Turnover	£24.6M	£22.0M
Profit before taxation	£1.72M	£1,31M
Dividend per share	1.245p	1.05p
Enmana nor chara	415p	2 90n

Extract from the Chairman's Statement:-

The Board will preserve a proper balance between the dividend, and the equally legitimate desire to retain funds to finance future growth, both organically and by acquisition.

Management accounts for the early months of the current year show an improvement over the equivalent period of the year under review. It is my belief that the current year will show a further increase in profits, in earnings and in dividends.



Copies of the Annual Report and Accounts can be obtained from the Secretary.

Hampson Court 77 Birmingham Road, West Bromwich, West Midlands B70 6PY.

### WOOLWICH **EQUITABLE** BUILDING SOCIETY

£200,000,000 Due 1995

bereby given that for the three months interest Period from (and including) 19th August, 1986 to (but excluding) 19th November, 1986, he Notes will carry a rate of interes of 95% per cent, per annum. The relevant interest Payment Date will be 19th November, 1986. The Coupon Amount per £10,000 will

### Halifax Building Society

For the three month period from 20th August, 1986 to 20th November, 1986 the Notes will bear interest at the rate of 915/16 per cent. per annum. The Coupon as will be £125.24 per £5,000 Note and £1,252.40 per £50,000 Note, payable on 20th

> Morgan Grenfell & Co. Limited

# Int. Leisure holiday bookings 75% higher

of International Leisure, told yesterday's annual meeting that 1.6m holldays had been sold for Summer 1986, which was 75 per cent higher than last year. This year's holiday brochure margins were lower than in 1985, but there had been significantly less discounting. Bookings for Winter 1986-87 looked "most promis-

He said profits for the year to March 31, 1987, before tax and aircraft sales, would be significantly ahead of the comparable figure for 1985-86.

Mr Goodman continued: We are expanding our interests in resort hotels, with a further eight hotels in Spain from next April. Their capacity is already fully sold for next year, and our UK and European tour operations will help to ensure continued high occupancy levels."

He added that the group's 25 per cent participation in the new Spanish charter airline, Air Europa, was a major strategic step, and its capacity for this winter was fully con

S · WHSMITH WHOLES

• ELSON'S

OUR PRICE . DO IT ALL

SHERRATT & HUGHES . MUSIC MARKET

STUDENTS .

# First half downturn for Dewey Warren

Dewey Warren Holdings, pany's income was received, USM-quoted Lloyd's insurance and the rising cost of profesbroker, suffered a downtum in sional liability insurance which free tax profits from £799,000 to the company had to carry.

£269,000 in the six months ended June 30, 1986.

The directors, who said they did not consider the payment might not be seen until 1987.

The directors, who said they did not consider the payment of an interim dividend to be justified, believed that the pretax result for the full year would be less than for the first six months. For 1985 pre-tax profits were £1m (£1.18m) and a total dividend payment of 7.5p was made, including an interim of 2.5p.

The reasons for the fall in profits became apparent at the end of 1985, the directors stated. These were a reduction in brokerage from accident and health reinsurance, the company's largest source, the company's largest source, the comparative weakness of the US dollar in which 76 per cent of the com-

# DY Davies profits surge

DY Davies, one of this year's dividend is being paid. USM recruits and the first firm
of architects to obtain a Stock
Exchange quotation, yesterday
reported more than doubled full
in obtaining prestigious new year taxable profits of £765,000, commissions.
against £315,000.

Preliminary discussions are

placing forecast of £750,000,

The result was attained on being held with a number of turnover ahead from £3.59m to architectural practices and in-£5.73m and compared with a terior designers with a view to acquisition. The group expects in this way to expand quickly which was made two weeks in this way to expand quickly before the company's April 30 its range of services and geo-year-end. As indicated, no graphical representation.

# **Britannic Assurance** increases dividend

Britannie Assurance day declared a higher interim dividend of 11p, against 9.5p As usual the company did not give an indication of profit ability at the halfway stage. Total premium income on its industrial branch for the first six months of 1986 rose from £47.59m to £49.11m, while in the ordinary branch it from £15.98m to £17.86m.

Premium income in 18.87m to £9.78m and in unit linked it surged from £2.39m to £8.34m, which was greater than the £5.01m shown for the whole of 1985.

On the new life business side On the new life business side, renewal premiums in the ordinary branch totalled £4.09m (£3.64m) and in the industrial branch they were £12.67m (£12.26m). Sums assured on the ordinary side totalled £126.97m (£103.99m) and on the industrial side they amounted to £203.09m amounted

Single premiums for unit linked business rose from 52.39m to £8.25m.

BET GROUP'S proposed acquisition of HAT Group and Bren-green (Holdings) is not to be referred to

-THIRD OF LARTER STATEMENT-

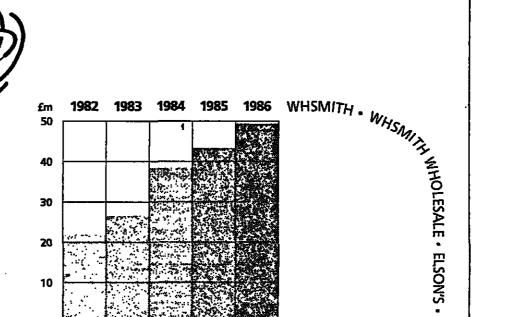
I DIAD GOAD I EN STATEMENT				
Unaudited Group Results for nine months to 30th June, 1986	Nine months to 30th June 1986 £000	Sux months to 31st Merch 1988 £000	Year to 30th Sept. 1985 £000	
Turnover	56,410	32,376	59,426	
Profit on Ordinary Activities before Taxation	1,555	926	1,545	
Taxation (estimated)	(357)	(286)	(66)	
Profit after Taxation	1,198	640	1,479	
Dividend	(150)	(150)	(150)	
Retained Profit	1,048	490	1,329	
Dividend (net)	0-50p	0.50p	0.50p	
Earnings per Share The results incorporate dealings up	4-00p to the account	2-13p ending 27th Ju	4-93p .ne, 1986	

These are the first quarterly results to be published by the Group and therefore no comparatives are available. "I am pleased to announce that our third quarter figures show a considerable improvement on the average for the first two quarters. Turnover for the quarter to June 1986 is up 48 per cent and pre-tax profits have followed with a rise of 36 per cent. The Group has acquired additional freehold premises and recruited more staff and the increase in performance is a direct result of these expansion plans. I see no reason why this increased level of operation should not continue."

T G Wilmot (Chairman) 12th August, 1986

For copies of this Interim Statement please ring 01-928 2661

Member of the British Institute of Dealers in Securities (BIDS) HARVARD HOUSE · 42-44 DOLBEN STREET · LONDON SEI OUQ



Profit before taxation (£m)

# Scaling new heights the WHSmith way

To be successful business must respond to social... change by meeting the needs of the market place.

Our strategy is therefore based on a recognition that all our businesses should help our customers enjoy and benefit from their increased spare time and that we must anticipate the future direction their needs may take.

In the UK, while the core businesses have continued to prosper specialist retail chains are being developed in related product groups. Our Price Music and the booksellers, Sherratt & Hughes, are

In another field, Do It All after less than seven years is among the market leaders.

At the same time, new technology has been applied to growing our newspaper and magazine wholesale business by the introduction of computerised marketing systems to provide an even more efficient service for our newsagent customers and for

Overseas, opportunities have been taken to apply the skills learnt at home.

WHSmith is the largest bookseller in Canada. In the USA, the acquisition of Elson's has made us the leading operator of news and gift shops in hotels, airports and railway stations. More than 70 million customers a month are served.

These developments are continuing. We are opening new retail outlets around the world at the rate of three every week. And we will keep building on the strengths of our individual businesses, both now and for the future.

This philosophy has already borne fruit. Since 1981 sales have increased by 88% and pre-tax profits by 205%; earnings per share have risen over the same period by 180% to 17-2p, while the net dividend for the year of 6.0p is more than two and a half times that paid in 1981.

New heights are still to be scaled.

For further information about the development of WHSmith at home and abroad, please send for a copy of the Annual Report and Accounts: write to Julian Smith, W.H. Smith & Son (Holdings) PLC., Strand House, 7 Holbein Place, London SWIW 8NR.

WHSMITH

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Electron House up

66% to £681,000

<.>

# ATLANTIC COMPUTERS plc

FOR ALL IBM AND DEC COMPUTER SYSTEMS, AND DATA COMMUNICATIONS NETWORKS

### INTERIM RESULTS:

	Half Yea	r Ended	
Turnover Group Profit before taxation Group Profit after taxation	30th June 1986 £m 77.4 8.4 8.2	30th June 1985 £m 55.6 7.0 6.9	% change + 40% + 20% + 19%
Earnings per share Dividends per share	15.30p 1.12p	12.84p* 0.56p*	+ 19% +100%

### John Foulston, the Chairman, reports:

- Strong demand for all our IBM Computer Systems Division's services continued with a record level of orders, while the proportion of profit before tax arising from the net movement in Interest in Leases remained below 30 per cent. Further expansion in Europe took place with the acquisition of BM Computer Systeme GmbH.
- Continued strong growth was seen within our medical equipment services subsidiary, Atlantic A new technical centre for the Digital Computer
- Systems Division was completed, and the Flexlease Leasing Programme successfully introduced on the full range of DEC hardware and
- The results for the Manufacturing Division although below budget for the period, represented excellent progress in the light of further price competition in the data communications market and our continued R & D investment in new data communications and power systems products. As a result of this investment a number of exciting new products will be announced before the end of
- The Group's balance sheet remains strong, with cash and unutilised bank facilities totalling in excess of £45 million.
- Interim Dividend doubled from 0.56p per share to 1.12p per share.

'With record order books for this stage in the year, I view the future with confidence." Atlantic Computers plc, Winchmore House, Fetter Lane, London EC4A 1BR. Tel: 01-583 9481.

# Waterford Glass profits increase to near I£9m

Waterford Glass Group, manu- In the interim period net facturers of crystal and china, debt was cut by IE30m to announced a 33 per cent in- IE28.7m and the proceeds of

In recent years Waterford's the counter market, which fed through in July, will leave by its unsuccessful diversification. Waterford with net cash. performance has been hampered by its unsuccessful diversification into retailing and car sales. It sold its holding in the Switzer department store, to its partner, House of Fraser, ear-lier this year and this week announced the disposal of the loss-making Smith motor group.

of micro electronics.

The directors are holding the

interim dividend at 0.5p per 5p share, while earnings improved

Microvitec 26% ahead

cent in pre-tax profits, from colour graphics division had £535,000 to £673,000, was re- been substantially higher, repre-

ported yesterday by Microvitec, senting 23 per cent of turnover a USM-quoted maker of products related to the application the whole of 1985.

by 0.3p to 1.6p per share. in quality, continued to be given The chairman said that sales top priority.

to £0.67m at halfway

1£28.7m and the proceeds of crease in pre-tax profits to the company's American De-1£3.96m (£8m resterday for the six months to June 30. NASDAQ, the New York over-

> The company is now in a position to expand through acquisition although, according to Mr Brophy, it will focus attention on complementary companies in the crystal and china field.

We are very pleased to be concentrating activities on crystal and china again." said Mr Anthony Brophy, Waterford's finance director. "Diversification may have made sense 12 years ago but it is out of synch' with the business to day."

The Switzer disposal caused turnover to fall by 34 per cent in the first half sales of crystal and china fell in the UK and the Republic of Ireland because of the decline in US tourism. Sales were ahead of target in the US, however, and Waterford countered the potential adverse effects of the weakness of the US dollar on profits by currency hedging.

"So far business is running though profit margins on sales ahead of target in the second

the first dair to 1202.4m, at though profit margins on sales doubled to 10.8 per cent. Earn half," said Mr Brophy. "But gets about, but ings per share rose to 3.71p the eventual outcome will de- will probably (2.87p) and the net interim dividend rose to 1.2p (1.0p).

This increase had helped to compensate for the reduction in

tract. The move to higher value

Mr Martinez added that the level of investment on new product development and the drive for further improvements

IN A YEAR in which substantial acquisitions were made, was up from £8.3m to £13.66m, tial acquisitions were made, was up from £8.3m to £13.66m, was up from £8.3m to £13.66m, was up from £8.3m to £13.66m, was up from £8.3m to £13.60m.

The event, het turnovat was up from £8.3m to £13.66m, was up from £8.3m to £13.60m.

The event, het turnovat was up from £8.3m to £13.60m, the £13.60m to £13.60m In the interim period net weakness by a rise in prices debt was cut by IE30m to and the introduction of new IE28.7m and the proceeds of ranges." Mr Robert Leigh, the chairman, said sales were now running at some five times the level of a year ago, and that gave the group the opportunity

Waterford was one of the stock-market's favourites until it fell from grace after its ill-fated foray into stores and cars. With the sale of Smith the new man agement team has finally finished its surgery work and can now focus effort and energy on developing the company; and the capital raised from the ADR issue will give it the means to do so. The benefits of means to do so. The benefits of more efficient production have filtered through to Waterford and the company is now tackling Aynsley's problems in the US with new products and increased investment in marketing. The City agreets profits of creased investment in marketing. The City expects profits of 1£23m for the full year giving a prospective p/e of 13.5 on yesterday's share price of 114p. Acquisitions are inevitable, there are plenty of suitable targets about, but the share price will probably wait until Waterford finds the right one before it rises again.

# was to facilitate growth by acquisition, and the company made three purchases—Kelvin Impex, the Pacesetter Group and Surface Mounted Technology. The results of those subsidiaries had been consolidated only from the time of acquisition. Had they been included in the full year to May 31 1986, group sales for the year would have been some £29m. had maintained a better balance between the high-growth marbetween the more stable and New Zealand. That policy had for the group in good stead for the year under review. The final dividend is raised from 1.8p to 2p net for a total not provide the growth marbetween the marbetween the marbetween the high-growth marbetween the more stable and New Zealand. That policy had been consolidated for the group in good stead for the year under review. The final dividend is raised from 1.8p to 2p net for a total not provide the growth marbetween the more stable and New Zealand. That policy had been some for the growth marbetween the more stable and the more stable and New Zealand. That policy had been consolidated for the growth marbetween the more stable and New Zealand. The more stable and New Zealand. The Contract problems blamed for Trent's profits plunge

level of a year ago, and that gave the group the opportunity to achieve substantial growth in profits and earnings per share in the future.

He said the principal reason for joining the USM last year was not immune from that it had maintained a botter balance had maintained a botter balance had maintained a botter balance hetween the high-growth market and the company made three purchases—Kelvin

PRE-TAX profits at Trent negotiation.
Holdings, the Nottingham-based specialist door manufacturer, advanced stage and should plunged from £675,889 to result in compensation of £185,300 in the year to March 31 1986, but Mr Geoffrey Simon, the chairman, said yesterday that there were two factors.

The second factor concerned advanced stage and should result in compensation of approximately 65 per cent of the estimated claim. the expenditure during the year in establishing its new operation, Leaderflush Projects. It had been charged as revenue expenditure in the year covered that there were two factors which distorted the results. The first concerned a contract under which Leaderflush Doors agreed to supply a public authority with a substantial quantity of high performance

doors and security fittings.

Technical difficulties arose book and that production tarwith the contract, as a result gets were being met satisfacof which the public authority tority so as to provide
(which was itself under a customers with sorter delivery
contract with the now defunct
Greater London Council) committed a breach of contract, and
that resulted in a considerable standy ground? doors and security fittings.

that resulted in a considerable steady growth. loss of production.

The damages caused have been estimated at £500,000.

Although the directors were The final dividend is raised

advised that there was a from 0.63p to 0.63p net for a soundly-based claim at law for total of 1.15p (1.05p). Stated the full amount, they decided earnings per 10p to settle the dispute by 6.68p (8.34p)

Supra aims for a record Supra Group, a maker of

The directors said that 1984-85 year from pre-tax profits despite a slowdown in trading of £1.59m (£1.07m). activity, they anticipated report—
The directors said that they ing record profits for the full were continuing to review the

supra Group, a maker of Earnings for the first half (to motor components, noise conmotor components, noise conmotor components, noise conmotor components, noise conmotor for the first half (to
motor components, noise conmotor dispersion and provided at 1969, after tax of £251,000
its interim profits by £173,000
(£215,000), and the interim divito £662,000 from a turnover of dend is being increased from
£8.13m, against a previous 0.8p to 1p net per 10p share—
£7.27m.

The divertors said that 1994, against the first half (to
motor components, noise conmotor components, noise con

**报贷款** 

by the current accounts
In the meantime. Mr Simon said the group had a good order

sitions.

# INTERNATIONAL LEISURE GROUP PLC

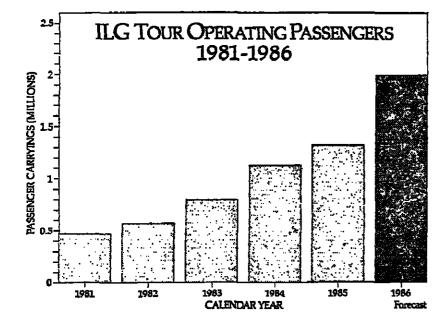
# "Progress, development and diversification"

The International Leisur		
for the year ending 31 M		ns the following
Finar	ncial Summary.	
	1986	1985
	<u>noillim 2</u>	£ million
Turnover	295.0	240.7
Profit before taxation	23.5	24.8
Profit after taxation	20.3	20.0
Net assets	84.1	42.9
Earnings per share	39.3p	38.8p
Dividends per share	5.0p	4.8p
Gross gearing	1.11	1.67
Net cearing	0.27	0.73

Note: Net assets and gearing in respect of 1986 include the effects of the Rights Issue

# HIGHLIGHTS OF 1985/86

- tour division passengers up 20%, market down 10%;
- tour divison market share up to 15%; • investment in advanced information technology to reduce
- overheads per passenger; acquisition of Global and major entry into self catering holidays and coach tours;
- entry into German based tour market with Intasun Reisen;
- new tour brand, Select holidays, launched in luxury holiday sector;
- three London hotels acquired;
- interests acquired in four resort hotels;
- orders placed for new generation Boeing 737-300 aircraft;
- Air Europe named Charter Airline of the Year for third



### REVIEW OF CURRENT ACTIVITIES

Tour Division: Currently, 1.6 million holidays have been sold by the Group for Summer 1986, 75% higher than last year. Brochure margins are lower, but there has been significantly less discounting. Bookings for Winter '86/87 are running 60% ahead of last year.

ILG has four of the top eight UK tour brands and will sell over two million holidays in total this year, raising market share to around 20%.

The division will distribute more than 50 different holiday brochures to travel agents this year, giving consumers the widest possible choice. Travel agents can now book almost all ILG's brands directly through on-line terminals to the Group's data centre in Bradford. This centre also performs on-line processing of reservations and admin functions for Intasun Reisen in Germany.

The acquisition of Global has given the Group an entry into the inbound tourist market, although this sector has seen a fall in volume this year following Chernobyl and the Lybian air raid.

London Hotels: The London hotel market was also affected by the fall in inbound tourism, particularly in the early part of the Summer season, but the Group's London hotels have performed well in a difficult market.

Refurbishment of the New Barbican hotel has been completed. work has begun at the Grosvenor hotel, and plans are being prepared to refurbish the Charing Cross hotel.

Merit Hotels has been formed to manage these hotels and the Group's plan to acquire and develop its London hotels business in the 3/4 star sector as opportunities arise.

Resort Hotels: ILG's resort hotel interests will be extended from April 1987 by a further eight hotels in Spain, bringing the Group's total to 12. The Group's UK and European tour operations will help to ensure high occupancy levels.

Airline Operations: From November this year, Air Europa, a new Spanish charter airline in which ILG has a 25% interest, will operate one new generation Boeing 737-300 aircraft this Winter and three similar aircraft next Summer from Mallorca and the Canaries. Capacity for Winter '86/87 for Air Europa and Air Europe is fully contracted, and contracting is progressing most encouragingly for Summer 1987.

Four Boeing 737-300 aircraft will be introduced into the Air Europe fleet in Spring 1987. Air Europe will then have a fleet with an average aircraft age of less than three years.

Profit Outlook: The controlled expansion of ILG's three divisions has been matched by a strengthening of the management team, and continuing investment in new technology and emphasis on cost reduction. Profits for the full year 1986/87, before tax and aircraft sales, will be significantly ahead of the comparable figure for 1985/86.



For a copy of the 1986 ILG Annual Report, please write to: The Secretary, International Leisure Group plc, Stockley House, 130 Wilton Road, London SWIV 1LQ.

# **US** sales boost Herrburger to £0.13m

Increased keyboard business from the US was mainly responsible for a doubling of profits at Herrburger Brooks in the year to May 31 1986.

The Nottingham-based maker of piano keys and hammers, lifted its pre-tax result from £65,005 to £130,890 on turnover of micro electronics.

This improvement was achieved on turnover slightly down at £10.04m against £10.23m, although cost of sales for the six months ended June 30 1986 fell to £7.17m (£8.02m).

This increase had helped to compensate for the reduction in sales of standard monitor products and the loss of volume at the end of 1985 due to the completion of the major OEM contract. The move to higher value 26 per cent shead at £6m against £4.78m. Its ultimate holding company is Kimball International of the US. Gross margins improved from monitors and the greater pro-23 per cent in 1985 to 29 per cent in the period under re-cent in the period under re-view. Mr Tony Martinez, the chairman, stated.

Mr Martinez added that the The directors said that

following a review of possible areas of expansion within the woodworking field, the company increased its manufacture of office furniture and related upholstered seating. This involved capital expenditure of \$82,132 and other related costs

for the year of £91,704.

There had been a favourable reaction from the dealers.

reaction from the dealers, specifiers and designers to the new products, they added.

Earnings for the year came out at 9.33p against 4.71p, after tax up from £3.444 to £8,964.

Included in the profits were exchange gains of £29,701. There is again no dividend. The last payment was 1.5p for 1983-84. The company's shares rose 5p yesterday to close at 70p.

### Racal confident

Racal chairman Sir Ernest enjoying strong order books. Harrison told shareholders at the annual meeting that he was company's profit projections of £5m this year, rising to £20m and £36m in the following years, from its Vodafone cellular radio venture.

# Barker & Dobson

Barker & Dobson's rights issue of 611.9m new shares was taken up as to 381.72m shares (62.4 per cent). The balance (230.18m shares) has been sold in the market at a premium and the net proceeds will be distributed pro rata among provisional allottees of the shares not taken up.

# Yearling Bonds

Yearling bonds totalling £2.25m at 9½ per cent, redeemable on August 26 1987, have been issued by the following local authorities. Ynys Mon Isle of Anglesey Borough Council £0.5m: Lincoln (City of) £0.25m: Derwentside District Council £0.5m: Newport DC £1m.

Interest Period

21st July 1986 21st January 1987 Interest Amount per U.S.\$10,000 Note due 21st January 1987

U.S.\$316.28

Floating Rate Notes, Series FY,

Due July 2002

Credit Suisse First Boston Limited

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1 Parking, say for a club (6)
4 Publish a record and make a loss (8)
5 In Central Africa servicemen carry a stick (6)
10 One's holding on, it appears, to get some plants (8)
12 Object about wrong-doers being supported (8)
13 Clash as a result of industrial action (6)
15 None left after six—play on that (4)
16 "He that lives upon hope will die..." Franklin (Poor Richard's Almanac) (7)
29 Fine adjustment in speculation or asset (7)
21 Sports spectators may well be barred (4)
25 Semi-nude people cut by a put down (6)
26 A large number turned out to be unhapony (8)

6 Even opposed to a good man, a social worker (8)
7 Get on a bit maybe (6)
8 There's point in one putting something away for a holiday (6)
8 Cholars caught in the act will be humiliated (7)
17 Account for Oriental development (8)
18 An officer with unpaid debts can be hypercritical (8)
19 Guy having a sound job in some craft (8)
22 As it may be said, no good-looker! (6)
23 Tradesmen will always accommodate a woman (4)
24 Alarge number turned out to be unhapony (8) Bridge Fund Managers (a)(c)
20, Copthall Aurense, London, EC28 7PA. 01-588 6064.

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26 A large number turned out to
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28 The most unpalatable wine
is acceptable in the home (8)

29 Correct about fashion (6)

30 Well; the queen shows such a 01.423 8000 +0.1 0.73 +0.1 0.73 +0.1 1.94 +0.1 1.94 +0.1 1.94 +0.1 5.73 +0.1 5.73 +0.1 5.73 +0.1 5.73 +0.2 1.61 +0.2 1.61 +0.2 1.61 +0.2 1.61 Solution to Puzzle No. 6,104 Technology 52.4
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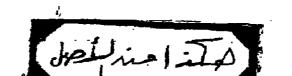
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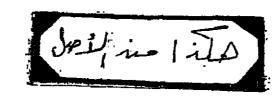
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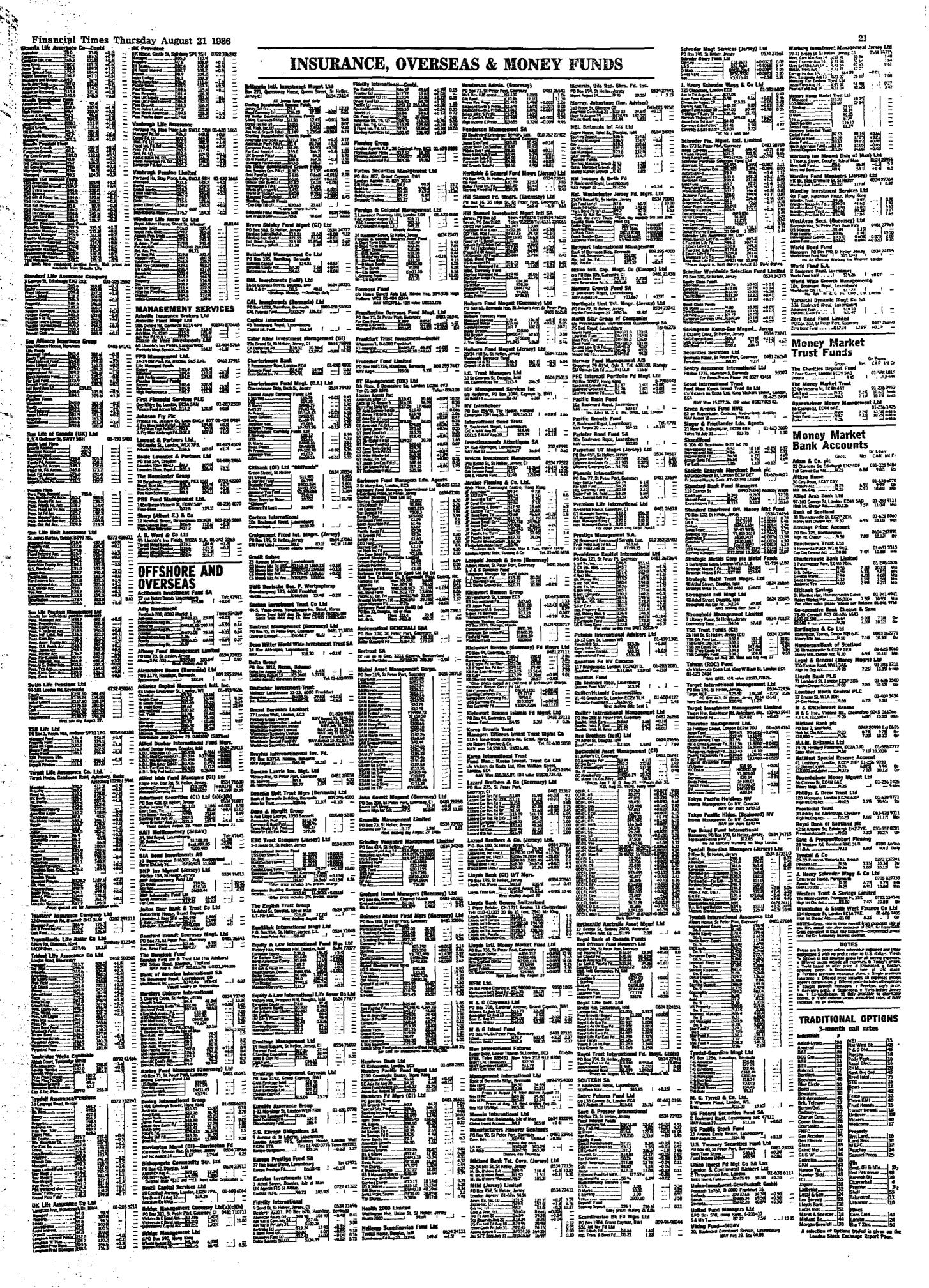
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# **Ivory Coast** cuts cocoa production estimate

MR DENS Bra Kanen, the Ivory Coast's Agriculture Minister, was quoted yester-day as saying that poor weather had resulted in a cut in forerast Ivorian cocoa out-put this season (1985-86) of between 50,000 and 75,000 tonnes, reports Reuter from Abidjan.

The official Ivorian daily, Fraternite Matin, quoted him as telling an agricultural seminar that the country's cocca plantations had suffered from "particularly serious climatic difficulties for several monthly mentions."

"The consequence has been a fall in production estimated at between 50,000 and 75,000 tonnes which will unfortunately not be compensated by the very average crops of Africa's (other) main exporters," he said.

Mr Bra Kanon did not give a precise figure for the crop. In 1984-85 the country's output was estimated at a record 552,000 tomes, confirming its position as the world's biggest producer. World production in that year was estimated at

Fraternite Matin said although the Minister's com-ments concerned the current crop, traders have said a recent period of unusually dry weather in the Ivory Coast could also affect next season's

mote US wood products in Japan in a programme "intended

to counter the adverse effects on exports of unfair trade prac-

June 24—\$9m granted to the US Feed Grains Council, the Ameri-

can Soyabean Association and the Holstein-Friesian Associa-

tion of America, for the estab-lishment of model sheep, beef,

poultry and dairy farms in

Algeria. August 8—A \$2.1m project

launched to supply US feed grain product samples to pros-pective customers in a scheme

"intended to counter the adverse effects on US feed grain

exports from unfair trade prac-

HARDLY A week goes by with-out the US Department of Agri-culture (USDA) announcing

"export enhancement initia-

tive" (bonus crop subsidy)

aimed at boosting sagging US farm exports. The drastic cuts

# Brazil crop fears bring coffee price resurgence

their worst fears about the Institute (IBC) is due to release its latest estimate of the 1986-1987 crop today and the figure is widely expected to be well below the 14.7m bags (60 kilos each) forecast earlier in the

Although they remain about £1,000 a tonne below the peak which they reached in January, as the scale of the damage done by the four-month drought became apparent, anticipation of today's announcement has pushed prices up by nearly £300 a tonne over the last few

trading days.
The devastation wrought by drought seems certain to con-tinue to hit production for at

tinue to hit production for at least another year.

After a recent visit to the country's main producing regions, Mr Paulo Graciano, president of the IBC, said he was disappointed at the rate of recovery of trees in preparation for next year's crop, "The trees look exhausted—as if they had produced a bumper crop, which is clearly not the case," he said.

The effects of the drought on

is clearly not the case," he said.

The effects of the drought on production this year has been devastating. The prematurely ended harvest is privately estimated to have fallen to less than 12m bags from the previous harvest's 30m.

Exporters in Rio de Janeiro and Santos, counting on the normal two year cycle of small and big crops, had aiready services with enough fertilisers is interes with enough fertilisers and insecticides. Many have level at been forced to grow subsistence from far crops such as maize and beans cents per larger.

US agricultural exporters.

"Many of us were weaned upon the axiom that American

Why are US farm exports dropping despite the bonuses, subsidies and various competitive schemes mandated in the 1985 Farm Bill?

What follows is one explan-

tion official, who predicted

an eventual turn-around . . . In just one decade the world has gone from one ex-

treme in the agricultural cycle to the other. Production is far-outdistancing utili-

non is rar-outdistancing utili-sation of grain, and the US alone has absorbed all the in-crease in the world's stocks. At the same time, world grain trade is dropping dramtically—it plammeted 39m tonnes in the past year. Meanwhile, the price de-clines, ordered under the

clines, ordered under the Farm Bill, are being imple-

farm exports. The drastic cuis in commodity prices, allowed under the 1985 Food Security Act ("Farm Bill") have so far failed to spur foreign sales. In fact, the US ran agriculture marketing of agricultural protected deficits in May and June trade deficits in May and June trade

for the first time in three dominance in agricultural trade dominance in continuous dominance in agricultural trade marketing programmes.

Most of the schemes have not well linto the 21st century," he merce Department figures.

Increasingly, there are signs afraid, is being challenged today, as at no time in the past."

He called upon the USDA and marketing programme in April, Tenture to the schemes have not well into the 21st century. The said as the called upon the USDA and marketing programme in April, Tenture to the schemes have not well into the 21st century.

ing its lost markets—no matter the industry to "reverse the Japanese purchases of American how low prices plunge. Wheat pattern of lost markets, in-cling peaches exploded, accord-

April 28—The US Department of Agriculture announces a \$2.3m programme to promote financial and commodity trading Kong and to counter restrictive practices and export meeting early this month, presubsidies in Japan and the UK. April 30—\$1.95m granted to promote US mood products in US agricultural exporters.

SPECULATION IS gripping the started talking of a return to trees, with a consequent drain world coffee market again as the 30m bag level next year. on the richness of the soil. traders awalt confirmation of But Mr Graciano's trip to the In other cases, financial

of Minas Gerais state, trees were an unhealthy greyish-green colour, premature leaf fall was widespread, there were many dead branches and new growth of branches where next year's beans will grow was only a fraction of normal.

This picture was repeated in Soa Paulo and to a lesser extent in the other major producing state of Parana. Producer and trade forecasts in these areas indicate a total

in these areas indicate a total Brazilian crop next year of 20 to 24m bags. "We (the IBC) were using 22m bags as a working figure for next year's harvest." Mr Graciano seid, "but this was a pessimistic hypothesis used merely for future planning, which nobody thought was realistic.
"Now everything points to "Now everything points to the crop being around that

figure."

Mr Graciano was also concerned about a more perma-nent impact from the drought and particularly the plight of the small farmers who account

mented only gradually. The

first to drop was rice on April

15, which brought strong complaints from Thailand

about "our more agressive

Wheat prices were slashed on June I when the loan sup-

port was dropped from \$3.30 a bushel to \$2.40 a bushel,

but it will take some time

to go into effect. On June 1, 1987, the new support price will fall again to \$2.28 a

On September 1, the price support for maize will drop from \$2.55 per bushel to \$1.92.

The price of barley is re-lated to maize prices so "you are going to see an increased amount of competitiveness

into that market," the official

rice export price."

Money no object as Washington

tries to boost farm exports

countryside has revealed a dif- stresses have caused farmers to impact of last year's Brazilian ferent story.

sell or simply abandon their drought. The Brazilian Coffee In the prime growing areas land or switch to crops less vulnerable to the weather. But despite the crisis on the land, Brazil is determined to main-

tain its role as the world's domi-nant coffee exporter. Mr Graciano has threatened that any attempts by the Inter-national Coffee Organisation (ICO) to cut Brazil's export quota from the current 30 per cent of total world shipments would provoke the country's immediate departure from the

Both Mr Graciano and the Both Mr Graciano and the ICO are fully aware that without Brazil's participation any agreement to control the flow of world supplies would be meaningless. Brazil's position has been helped by the suspension of ICO export quotas earlier this year when world prices broke through the upper band of the trigger price range. The failure of the current harvest means Brazil will export less than 14m bags this year

less than 14m bags this year against its ICO export quota of over 17m. Without the quota suspension, Brazil would have faced having its quota for future years reduced.
In a move to ensure quotas

are not reintroduced for the time being, Brazil recently set trees with enough fertilisers its intervention price — the and insecticides. Many have level at which the IBC buys been forced to grow subsistence crops such as maize and beans cents per pound above the ICO

to offset EEC export subsidies,

a \$82.5m scheme to expand exports of dry peas and lentils to the EEC, Colombia and India; and \$4m to increase dried prune exports to Western

To date, the export subsidy

programme, which was launched to bring the EEC to

the bargaining table, has had the most solid successes. As of August 12, it had unloaded

more than 5m tonnes of wheat, more than 1.1m tonnes of flour,

505,000 tonnes of barley, 28,000 tonnes of frozen poultry, 22,700 tonnes of rice, and almost 6,000

tonnes of barley malt. The bonus element of about 2.3m tonnes totalled \$324.3m,

The sales resulted from 43

offers to 23 countries, including

the Canary Islands, Benin, India, Israel, Jordan, the Philippines, Tunisia. Turkey, the Soviet Union, Yugoslavia

and Zaire.
USDA officials, meanwhile, express confidence that regular commercial sales will pick up

after new lower price support

loans rates go into effect next month. And an endless array of additional commodity schemes are in the pipeline, including a medium term credit programme, the sale of 825m

### LONDON MARKETS

TECHNICAL factors encouraged upturns in the platinum and gold markets yesterday, halting the downward reaction to last week's late strength. Platinum moved 59.50 higher in London to \$342.50 a troy ounce, while gold gained \$2.75 to \$378 an ounce. On the London Metal Exchange copper's six-day price slide was also halted, with cash Grade A metal closing £4.25 higher at £866.50 a toune. Dealers said the advance feature increased borrowing (selling forward and buying eash) and pro-tective covering. The discount against the three months posi-tion narrowed to £17.25 a toune from £19 at Tuesday's close. Aluminium prices rose rose in what dealers said was a reaction to an oversold market. The £9.50 rise in the cash quotation wiped out most of the accumulated fall of the previous four trading days. The zinc price also rose modestly but remained within the recent narrow range.

LME prices supplied by
Amalgamated Metal Trading.

### **ALUMINIUM**

close p.m.	- High/low
	9.5 '748 5.75 '752,5/749
(748.5-9.5) three month	5 749-9.5 (751 <i>-</i> (749.5). Final

Grade A	Unoffic's	+ or	High/low
Cash 3 months	01058 866-7 883,5-4	-4,25 -2.5	866:865,5 886:883
Official clo (866.5-7). t 5.5), settler Close: 885-	hree mont nent 866 (	ha 88	4.5 (B85

Official closing (am): Cash 843.5-4 (844.5-5), three months 862-4 (862-6), settlement 844 (845). US Producer prices 60-65 conts per lb.

			,
	motion for the next four years	sales of canned peaches and	
	and \$1bn over three years for	fruit cocktail sales in Hong Kong Singapore. Malaysia and	Unofficial + or
	bonus crop subsidies, the USD^ has been hard at work distribut-	Saudi Arabia.	iclose:p.m.) — High/low
	ing the largesse.	Other recent promotional	Cash   266.5-7.5 1   268,267.6
	However, it does not come		3 months 267.5-8 - 268 267
•	without strings. Under the	to promote Florida oranges and	DE 11 11 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1
	targeted export assistance pro-	juice in Western Europe and	Official closing (am): Cash 297.5-8
	gramme (TEA), producer	the Pacific rim, \$6m to expand	(267-7.5) three months 267.5-8 (267- 7.5), settlement 268 (267.5). Final
	groups, like the Feed Grains	poultry and egg exports in the	Kerb close: 267.5-8. Turnover 6,250
	Council, receive grants in the	Pacific rim and the Middle East.	tonnes. US Spot: 21.75-24 cents per ib.
		\$350,000 to promote California	
•			NICKEL
	mented only gradually. The	table wines in the Pacific rim	MICKEL

CKEL			Robustus opened sharply heavy buying from a US conhouse absorbed trade scale-up			
i	Unofficial + or close(p.m.) — £ per tonne	High/low	reports Chartist be through the	Drexei - Bu uying helpe he middle	ed aup	po B
	505-16 -5 635-10   +2,5	2505 ,2548/2539	towards th	profit-taking close. T siting the	he mai	rke
	osing (am): Ca		estimate.			_
settleme	nree months 2525 nt 2507 (2520). 40. Turnover 6	Final Kerb	COFFEE	Yesterday Close	+ or	-
			Sent	)  2045-9060	 ⊥45 ∩:	

KUALA LUMPUR TIN MARKET: Close 14.05 (14.05) ringgit per kg. ZINC

High grade	close(p.m.) — £ per tonne	High/ low
Cash 3 months	548-9  +2 546.5-7.5 +2.5	548 547,5/542
(546-7), the settlement 545.5-8.5.	closing (#m): Ca ree months 544-4.1 548 (547). Finel K furnover: 10.650 to tern: 41.50-44.75 ca	5 (544-5), erb Glose: noes. US

Gold rose \$2% an ounce from Tuesday's close in the London bullion market yesterday to finish at \$377%-\$378%, it opened at \$374%-\$378 and rose quite quickly to a high of \$379% and rose quite quickly to a high of \$379% and rose quite quickly to a high of \$379% and rose quite quickly to a high of \$379% and rose quite quickly to a high or short covering. The day's low proved to be the opening level and although gold came back a little during the afternoon, it never approached its

GOLD BULLION (fine our	nce) August 20
Close 83773,-3781,	(£2514-25134)
Opening 53741,-376	(£249-2491 <sub>2</sub> )
M'n'g fix 8379,00	(£252.254)
Aft'n'n fix 3378,00	(2251,832)
GOLD AND PLATIN	UM COINS
Krg'rnd. 8576 579	(£250½-253¼) (£133¼-135)
14 Krug \$101-102	(£6714-6734)
1/10 Krug., \$41-4134	(£2714-3714)
Mapteleaf 838714-39014	(£256-260)
Angel \$3851g-3881g	(£2561 <sub>2</sub> -2561 <sub>2</sub> )
1/10 Anget \$3814.4114	(£2514-271 <sub>2</sub> )
New Sov \$90-68	(£60-5114)
Old Sov \$95-9612	(£6314-6414)
\$20 Eagle \$450-480	(£286-31914)
Nobie Plat \$560 4-567%	(£3781-37714)

### SILVER

Silver was fixed 2.7p an ounce higher for apot delivery in the London builton market yesterday at 342.7p. US cant equivalents of the fixing levels were: spot 515.05c, up 7.05c; three-month 522.45c, up 7c; six-month 530.65c, up 7c; and 12-month 646.7c, up 7.1c. The metal opened at 339-3404p (510-512c) and closed at 342-3432p (514-516c).

SILVER per troy oz	Bullion Fixing Price	+ or	L.M.E. p.m. Unoffic'i	+-
Spot 3 months, 5 months, 12 months	358,90p	+2.85	9,50	+2
LME—T	umávěfi	35	(5) lots	

MEAT COMMISSION—Average fat-stock prices at representative markets. GB—Cattle 94.93p per kg lw (~0.51). GB—Sheep 154.18p per kg est dcw (~7.36). GB—Pigs 78.14p per kg lw (+0.53). GB—AAPP 98.18p per kg dw (+0.58).

ПАІ	CATTL	£	LIVE	PIGS
- Month	Y/day's close	+0	Yiday's close	+*
Aug Sept Oct Nov Jen Feb	100.30	+0.50	103,30 105,50 98,60	-
Cottle	sales: 0	(0) la	te of 5.0	200 kg

### **US MARKETS** INDICES CARRY-OVER buying and

REUTERS

DOW JONES

Aug 20 Aug 19M'th ago, Year ago

1434.7 1449.7 1439.2 1698.0

Dow: Aug : Aug : M'th Yea

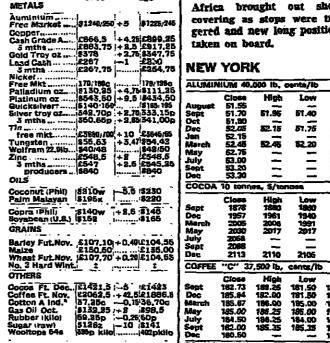
Spot 116,39 117.01 - - 114.68 Fut 226,22 126.13 - 114.44

MAIN PRICE CHANGES

In tonnes unless otherwise stated.

(Base: December 31 1931-100)

short-covering lifted collec futures by over Se in the near month, fuelled by expectations that Brazil will revise its current crop estimate downward by over 3m bags, reports Heinold. However, with the first notice day in the Septemher position profit-taking and long liquidations wiped out all but 2.5c of the carlier gain in the December month. Platinum showed strong gains of \$22 in the October position as renewed fears about South Africa brought out shortcovering as stops were trig-gered and new long positions



Sales: 1.491 (5.760) lots of 10 tonnes. ICCO Indicator prices (US cants per pound). Daily price for August 20: 93.71 (93.93); five-day average for August 21: 93.45 (92.88).

heavy buy	opened a ing from a proper trade tra	s US of scale of the grant transfer of the grant transfer of the grant transfer of transfe	port pnces o day but med gains ket is still IBC crop
COFFEE	Yesterday Close	+ or	Business Done
Sept			2108 2080 2116-2065

....3060-2061+42.5) 2115-2064 ....3065-2070+46.0, 2106-2050 ....2025-2070+42.5, 2570-2230 ....2020-2025+57.5, 2575-2230 ....2020-2025+56.0, 2025-249 ....2050-2026+75.0 Sales 8 525 (11.084) lots of 5 tonnes. ICO indicator prices (US cents per pound) for August 19: Comp daily 19: 58.27 (166.44); 15-day average 144.50

### SOYABEAN MEAL

	close	7-0	done
August October Dec Feb April June August Sales: 33	128,6-129,0 169,0-161,9 161,0-162,0 129,0-129,8	-0.40 -0.40 -0.58 -1.00 -0.86 -0.85	151,3 128,5 ————————————————————————————————————

### GRAINS

soon came under con shipper and country stempted to dip but country buying interes the near position. Di noon renewed shippe selling pressured price close the market stage Barley began on a str up on unconfirmed ru interest in EEC barley, but always found good ing interest throughor close just off the highs	nmission house, selling. Prices tound renewed to particularly in uring the after- ir and country is but near the d a minor relly, ong note at 50p mours of Soviet. Values assed underlying buy- it the day to
Roddick.	
WHEAT	BARLEY
Yesterday's + or	Yest'rdy's + or

105.80 107.70 110.40 113.00 115.75 Business done — Wheat: Sept 105.15-5.65, New 107.75-7.50, Jan 110.60-10.25, March 113.25-3.00, May 115.75. Sales: 382 lots of 100 tones. Barley: Sept 105.00-4.80, New 107.20-6.80, Jan 109.50-9.30, March 111.90-1.60, May 113.50, Sales: 628 lots of 100 tones.

lots of 100 tones.

LONDON GRAINS—Whest: US dark northern spring no 1 15 per cent Sept 95.00, Oct 97.00, Nov 83.75. US no 2 soft red winter Sept 82.50, Oct 94.25, Nov 85.00. French 112-12 per cant Aug 150.000. English feed tob Sept 108.00/108.00, Oct/Dec 112.00/112.50, Jan/March 116.00/116.80, April/June 118.00/120.00 buyer/sellers. Maize: US no 3 yellow/French transshipment east coest Aug 150.50. Bartey: English feed tob Aug 105.00 buyer, Sept 108.50 buyer, Scottish, Oct/Dec 112.50 buyer, Jan/March 118.50/117.00 buyer/sellers England/Scotland.

HGCA — Locational ex-term spot prices. Feed barley: Eastern 99.00, E. Mids 100.30, N. East 100.90, Scotland 99.30. The UK monetary coefficient for the week beginning Mondey August 25 is expected to be unchanged.

### RUBBER

PHYSICALS—The London market opened slightly easier, met persistent solling throughout the day and closed easier, reports Lawis and Peat, Closing prices (buyers) Spot 59.26p (59.50p); Oct 58.75p (59.00p); Sept 59.75p (59.00p); The Kuels Lumpur feb price (Melsyslan cents per kids); RSS No 1 218.0 (219.0) and SMR 20 186.5 (188.0), FUTURES—Index 589, Sopt 576-582, Oct/Dec 568/379, Jan/Merch 578-588, April/June 590-598, July/Sept 562-588. Sales: O.

# 1368.1571 -7.5 1379-1883 Oct 37.10 35.00 36.10 35.10 35.10 35.10 35.10 35.10 35.10 35.10 35.10 35.10 35.10 35.10 35.10 35.10 37.10 35.10 3 14.96 16.16 15.16 16.36 16.38 16.60 15.47 15.66 16.65 15.65 399.5 386.0 402.5 401.5 405.5 403.7 411.0 411.0 417.5 WHEAT 5,000 bu min, High 42-90 43-96 45-00 45-00 46-40 48-20 43-76 42-40 40-90 Prev 253.6 256.2 251.0 242.0 235.2 Close High Low Pray Sept 251.2 253.4 251.0 253.6 Dec 255.2 255.8 255.0 256.2 March 253.2 255.8 253.0 257.0 May 247.2 243.0 241.4 242.0 July 235.4 236.2 235.0 235.2 Sept 236.4 — 237.0 SPOT PRICES—Chicago loose lard 15.25 (15.00) cents per pound. Handy and Harman silver bullion 515.0 (\$12.5) cents per troy ounce.

### **POTATOES**

Sept Oct Nov Dec Jen Feb March April May June

The market was egain quiet, initially trading £4.00 lower before finding keen buying interest which brought levels back to unchanged by mid-morning. This short—covering was limited however and values drifted lower in thin volume to close just off the day's lowe, raports Coley and Harper. Sales : 915 (1,848) lots of 40 tonnes.

Nov ..... 117.50 | 119.30 | 119.50-177.50 Feb .... 129.00 | 152.00 | 159.50-175.50 Apr .... 175.10 | 190.10 | 169.59-175.50 May .... 199.80 | 193.00 | .... Earlies-Aug 95.00 +5.00; Sept 67.50, -2.50. Sales: 0 lots of 10 tonnes.

15-day Brent talk howered around Tuesday's levels in moderate trade for all months. Some trader interest was apparent in Dubsi, with deals done between \$12.65 and \$12.73 for October. between \$12.85 and \$12.73 for October. Nymex WTI opened ZTc down in September but fose suddenly in late morning on a tachnicel raily to close 38c up by 1.30 pm EDT. In the petroleum products markets naphtha and gasoline were talked slightly firmer with some specific gasoline grades reported difficult to find. Gas oil trade was thin but prices firmed in the late afternoon on the back of Nymex—Petroleum Argus, London.

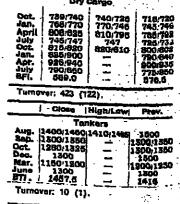
CRUDE OIL—FOR (\$	Latest per barrel)	Chan + or Sapt.
Arab Light	 11 RF-11 DE	
W.T.L (1pm est) Forcados (Nigeria) Urais (elf NWE)	15,00-15,10	+0.00
PRODUCTS—North Prompt delivery cit	(\$ per tons	le)
Premium gascilne Gas Oil	181-184	+1

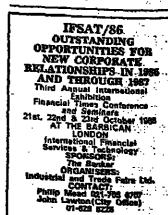
# GAS OIL FUTURES

Month	Ystrday's Close	+ or	Busine
-	US \$ per tonne		
Sep Oct Nov Dec Jan	129,50 132,25 135,50 138,00 140,50 139,00	+2,00 +1,75 +1,00 +1,75	128,56 26 159,50 29 155,75-35 159,50-58 140,00 158,90
Tu			

# SUGAR Sales: 2,527 (2,774) lots of 50 tonnea-Tate and Lyle delivery price for granulated being auger was £193.00 (£190.00) a conner for export. LONDON DAILY PRICE—Raw auger \$128.00 (£34.00), down \$10.00 (down £7.00) a tonne for September-October £7.00) a tonne for September-October delivery. White auger \$177.00, down \$4.50. PARIS—(FFr per tonne): Oct.1214/ 1218, Dec. 1210/1213, March 1281/1243, May 1270/1225, Aug 1200/1315, Ct. 1336/1355, interpretional \$4000 Augreement.//IS







- Alexander

# farmers last week, voting in a creased competition and grownon-binding USDA poll ordered ing surplus." No one can accuse them of over 1985. Mr Richard Lyng, plete about-face in US farm policy: mandatory production limits and higher prices. Sach transfers, including peaches exploded, according to the USDA, pushing the yearly total up 176 per cent yearly total Argentina prepares for market battle

BY TIM COONE IN BUENOS AIRES

THE PERENNIAL cases of of year. However, if the US Europe and the US Mid-West, for the US and the EEC, but for the arrange form. Argentine decides to continue selling at are the export taxes they are the Government. He said: "The taxes on exports and trade in ment—5 per cent for wheat and agricultural produce and those threaten to displace He said that new wheat for and an imminent land tax which directly or incompletely list."

Europe and the US Mid-West, for the US and the EEC, but for the covernment. He said: "The taxes on exports and trade in ment—5 per cent for wheat and agricultural produce and those which weigh directly or incompletely list. Argentina from the world market place.

The recent decision of the US to sell 4m tonnes of subsidised wheat to the Soviet Union, until recently Argentina's biggest customer, and the prospect of further sales to China and India has provoked in the past week heated debates in the Argentine Congress, late-night sessions of President Aifonsia's economic cabinet and declarations from some of his Ministructure. Shift from maize to wheat prices, "We can then expenses tions from some of his Ministructure." Said Mr Regunage. creditors a reduction in Union are seen by the Argeninterest rates on its foreign times as marking a deteriora-debt. On the eve of the latest tion of an already bad situation. GATT round to be held next. The fall in Argentinian grain month at Punta del Este, sales on the world market over Uruguay, just across the Rio de la Plata from Buenos Aires at which protectionist agriculations and opted by the US Government tural policies are expected to to support its farmers," said Mr be a dominant theme, the sub-Regulaga. The accumulated stdised US wheat sales have effect has been a fall of between given the Argentine negotiators substantial moral ammunition.

sidised sales? According to Mr ning of 1985, estimated at some Marcelo Regunaga, an economic \$1bn. Total exports in 1985 analyst at the Argentine were \$8.4bn. National Grain Board, "the Particularly galling for the immediate impact on Argentina Argentina growers when they which groups the bulk of Argentina earlier in the year, "Argentina will not be that great as we are compare themselves with their tina's half a million farmers, will not cede space in the international market. As President of the Sociedad Rural, President Alfonsin himself said which groups the bulk of Argentina compare themselves with their tina's half a million farmers, will not cede space in the international market. As

He said that new wheat for shipment in December had already fallen \$4 a tonne in the local market as a result of the US decision, because of the un-certainty it created around the 1986/87 harvest. Furthermore, other grain exports such as maize might also be affected if the wheat price drops low enough to cause final users to shift from maize to wheat purchases. "We can then expect a parallel fall in the maize

The proposed US sales of ters that in retaliation Argen-tina intends seeking from its subsidised wheat to the Soviet 25 and 30 per cent in Argentine rbstantial moral ammunition. foreign exchange earnings from But how serious are the sub-grain exports since the begin-

Particularly galling for the



Banl Alfonsin: temptation to increase support

tion have removed profitability. The agricultural sector has already given all it can to the community. No more can be asked of it. It has lost not only its profitability but also part of its capital." He added: "The producers are facing a coming producers are facing a coming period of extreme hardship in which they will not be able to obtain even the meagre international prices."

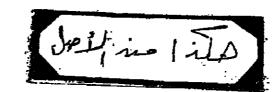
In the face of this pressure,

not afford to ignore in the light of the next year's elections for the governorship of Buenos Aires Province—the principal grain and meat producing province of the country, Argen tina's representatives cannot be expected to mince their words at the next GATT meeting, nor will the Government be able to is being proposed to replace them. The taxes were the object of an especially bitter attack on President Alfonsin's agricultural policies at the recent opening of Argentina's 100th national agricultural show—the biggest rural event of the year.

Mr Guillermo Alchouron, the president of the Sociedad Rural.

We will the Government be able to resist the temptation to increase support to its own farmers, even at the risk of a greater fiscal deficit, either through reducing export taxes or by spending more on port, road and rail facilities to improve Argentine competitiveness in the international market. As president of the Sociedad Rural.

Cattle sales: 0 (0) lots of 5,000 kg.
Pigs sales: 0 (4) lots of 3,250 kg.



# CURRENCIES, MONEY and CAPITAL MARKETS

most operators from running short dollar positions. The dollar closed at DM 2.0510 from DM 2.0590.

Elsewhere the D-Mark rose sharply against its European partners as fears of a D-Mark revaluation within the EMS were

JAPANESE YEN — Trading range against the dollar in 1986 is 202.70 to 152.35. July average 158.61. Exchange rate index 218.4 against 192.2 six months

ago.

The yen retreated from its best level in Tokyo yesterday as the dollar recovered some lost ground. There was persistent

lost ground. There was persistent buying at the dollar's lower levels, the latter a reaction to poorer than expected second quartar US GNP revisions. The dollar touched a record low of Y152.55 in early trading, following on its weaker trend in New York but recovered to close at Y153.05 up from Y152.75 in New York but still down from Y154.15 in Tokyo on Tuesday. Some traders claimed that the Bank of Japan may have traded on a small scale but this was hard to detect and would have had a limited effect.

**CURRENCY MOVEMENTS** 

### FOREIGN EXCHANGES

# Intervention fears help dollar

THE DOLLAR showed little overall change after Tuesday's sharp fall amid fears of central bank intervention. There was also increased speculation that the West Carrier Production to the control of the c £ IN NEW YORK Latest Prev. close mank intervention. There was also increased speculation that the West German Bundesbank was about to cut its discount rate which also detered traders from running too short on dollars. The threat of central bank intervention took on a greater significance in view of the relatively low volume due to the holiday season.

US personal income showed a rise of 0.5 per cent and consumer spending 9.2 per cent which were much in line with expectations while housing starte dropped a surprising 1.8 per cent. This was not enough to overcome the market's reluctance to sell the dollar too low athough it eased to a record closing low against the yen at Y153.35 from Y153.40 on Tuesday. Against the DMark it fell to its worst level since January 1981, faishing at DM 2,0463, down from DM 2,0560; Elsewhere it eased to SFT 1,6465 from SFT 1,6560 and FFT 6,671. On Bank of England Spot \$1.5035-5035 51.5045-1.5856
I month [0.50-0.48 pm | 0.47-0.46 pm | 5 months 1.40-1.36 pm | 1.31-1.28 pm | 1.31-1.31 pm | age figure was 74.7.
Starling remained on the side-lines for much of the day. It tended to follow the dollar which the day. It tended to follow the dollar which resulted in a small overall decline against its Euronean partners. Against the D-Mark it eased to DM 3.0825 from DM 3.0825 and FFr 10.0525 from FFr 10.0775. It was also down against the Swiss franc at SFr 2.4775 from SFr 2.48. It was higher against the yen at Y230.75 from Y230.50 and \$1.5045 from \$1.5020.

D-MARK — Trading range against the dollar in 1996 is 2.4719 to 2.6485. July average 2.1521. Exchange rate index 139.5 against 133.4 six months ago.

The D-Mark eased from the day's high against the dollar as short covering developed after the dollar's sharp decline. The US unit touched a low of DM 2.0410 soon after the opening but was underpinned by fresh buying to be fixed at DM 2.0509 still down from DM 2.0705 on Tuesday. Part of the recovery was due to specu-

FFr 6.6825 compared with FFr 6.71. On Bank of England figures, the dollar's exchange rate index was unchanged at 100.4.

STERLING — Trading range against the dellar in 1988 is 1.5555 to 1.3760. July average 1.5669. Exchange rate index 71.9 against 71.8 at the opening and 72.0 on Tuesday. The six-months POUND SPOT-FORWARD AGAINST POUND

0.53 -0.63 5.11 --5.96 -3.30 -1.51 -4.86 2.28 0.19 4.98

DOLLAR SPOT-FORWARD AGAINST DOLLAR

p.a. months p.a.

3.87 1.401.35pm 3.99

-2.20 0.83-0.88dia -2.46
0.90 0.50-0.45pm 0.22

-0.85 8-13dis -1.04
1.73 0.85-0.87pm 1.63
-1.16 300-480dis -10.47
-7.23 200-250dis -6.78
-5.53 17-18-dis -5.03
-1.16 5.05-2.25dis -1.29
1.38 2.05-2.25dis -1.29
1.39 2.05-2.25dis -1.29
1.46 0.58-0.51pm 1.40
1.25 4-2pm 1.40
1.25 4-2pm 0.63
1.78 0.72-0.52pm 1.60
orward premiums and 1,4990-1,5090 1,3490-1,3675 1,3470-1,3678 1,3670-1,3678 42,28-42,50 7,684-7,73 2,9410-2,0540 145-1457 122,42-133,10 1406-14137 7,28-7,32 8,563-6,854 6,867-6,854 162,79-163,45 14,37-14,44 1,6415-1,6320 1,6415-1,6320 1,6415-1,6320 1,6415-1,6320 1,6415-1,6320 1,6415-1,6320 1,6415-1,6320 1.5040-1.9050 0.50-0.47c pm 1.3545-1.3835 0.50-0.25c pm 1.3005-1.3915 0.24-0.27c dis 2.3065-2.3085 0.77-0.14c pm 42.40-42.50 2-4c dis 7.72-7.724 1.60-2.20cre dis 2.9400-2.0490 0.31-0.25pf pm 165-145c dis 122.90-133.00 7-16c dis 122.90-133.00 7-16c dis 123.90-133.00 7-16c dis 6-7 lire dis 7.31-7.31-2 80-5.20cre dis 8.881-8.884 1.70-1.50cre dis 153.30-163,40 0.21-0.18c pm den 9.87-2.53-7 8.591-6.591 in 152.79-153.46 153.30-153.40 tris 14.37-14.44 14.42-14.421 tz. 1.6415-1.5520 1.8480-1.8470 † UK and Ireland are quoted in discounts apply to the US dellar Belgian rate is for convertible

# } . B | DM | YEN | F.Fr. | SFr. | H.FL | Life | CS | B.Fr.

1,505 3,063 230,8 10,05 2,478 3,475 2121, 2,090 63,85 1, 2,049 155,4 6,683 1,547 2,509 1410, 1,389 42,45 0.394 0.488 1. 74.86 3.861 0.804 1.127 688.1 0.676 20.71 4.334 6.520 13.36 1000. 43.56 10.74 15.06 9192 9.067 276.7 0,995 1,497 3,056 299.5 10, 2,465 3,457 2110, 2,079 63.52 0,404 0,607 1,244 93,14 4,056 1, 1,403 856,1 0,844 25.77 0.288 0.433 0.887 66.40 2.893 0.713 1. 610.4 0.601 18.57 0.471 0.709 1.463 108.8 4.740 1.168 1.658 1000 0.985 50.10

**EURO-CURRENCY INTEREST RATES** 

One Year

# FINANCIAL FUTURES

# Record volume

authorities were likely to cut the discount rate or resume active intervention to support the dollar. This was sufficient to deter for the second day running in the London International Finan-cial Futures Exchange yesterday. Total lots traded came to just over 18,000, beating the previous record set in June. Much of the renewed interest stemmed from Tuesday's disappointing second quarter US GNP revi-

LIFFE LONG GILT PUTURES OPTIONS

Celin-Lest
Sept Dec Mar .
6.04 6.47 --4.04 5.15 --0.02 2.54 --0.00 1.21 --0.00 0.95 --0.00 0.95 --0.00 0.une total. Cc

sions, which sparked off specu-lation about lower interest rates and pushed most sectors of the market firmer.

ahead of the release of US economic data. Afterwards it touched a high of 122-18 in extremely good two-way business which eventually saw sellers gain the upper hand down to a low of 121-28. It recovered to finish at 122-02, however, up from 121-28 on Tuesday.

Euro-dollar deposits retained a bullish undertone with the December price after a very

The firmer trend was continued yesterday after a surprise fall in US housing starts and indifferent personal income and expenditure figures. The September price opened at 122-05 and touched 122-10 before steadying

Oct Nov 1 40 0.90 7, 35 2.10 2,7 1 4.60 5,14 7.55 8,25 — 12.15 — 18.70 Dec 19.80 10.70 6.75 4.00 2.15 1.10 0.70

FT-SE 100 INDEX £25 per tull index point

**CURRENCY FUTURES** 

Latest High Low 1.4955 1.8000 1.4945 1.4830 1.4885 1.4810 1.4700 1.4790 1.4890 1.4575 1.4625 1.4575

LIFFE-STERLING £25,000 \$ per £

Puts Oct 0.05 0.25 1.00 2.55 6.40

LONDON

Close High Low Prov Sept 101-25 101-35 101-20 101-16 Dec 101-31 — 101-21 March 101-31 — 101-21 Estimated volume 131 (231) Previous day's open int. 1.328 (1,316) 20-YEAR 12% NOTIONAL GILT ESO,000 32nds of 100%

ESU,000 32nds of 100%

Close High Low Prev
Sept 122-02 122-18 121-28 121-28
Dec 121-31 122-14 121-25 121-23
March 121-24 — 121-16
Lune 121-24 — 121-16
Estimated volume 18,251 (16,148)
Previous day's open int. 16,445 (15,670)
Basis quote (clean cash price of 13%
Trausury 2004-08 less equivalent price of near futures contract) —4 to 4
(32nds)

Sept 90.42 90.45 80.42 90.41 Dec 90.42 90.45 80.42 90.41 Dec 90.82 90.99 90.82 90.90 March 90.85 90.67 90.67 90.67 90.65 Sthoated volume 2,629 (1,977) Previous day's open in. 15,392 (15,346) US TREASURY BONDS 8% \$100.000 28.045 of 100%

Close High Low Prev Sept 101-28 202-16 101-18 101-29 Dec 101-09 101-24 100-13 101-14 Estimated volume 6,963 (10.288) Previous day's open int. 6,811 (6,879)

CHICAGO US TREASURY BONDS (CBT) 8% \$100,000 32nds of 100% Low 101-30 101-04 100-07 99-10 98-15 97-20

1960-1962 = 100, Bank of England (base average 1975=100). **CURRENCY RATES** US TREASURY BILLS (IMM) Low 94.61 94.74 94.73 94.61 94.39 94.14 93.89 93.67 High 94.86 94.80 94.65 94.65 94.15 93.90 83.69 0.807711 0.683888 1.21407 1.02789 1.43696 4 17.5150 14.8324 6 61.5616 43.6337 7 9.365655 7.9370 314 2.48994 2.10768 914 8.10727 12 1721.521) 1451.65 519 185.651 7.5158 8.88338 7.52156 8 8.34248 7.08161 4 2.0352 201 152.541 157.947

THREE-MONTH EURODOLLAR (IMSA) \$1m points of 100% Latest 93.93 83.97 93.89 93.72 93.47 93.16 92.88 92.58 Preu 93.88 93.92 93.82 93.62 93.64 93.04 92.75 92.47 C\$/SDR rate for Augst 16: 1.68346. (1) SDR rate for August 19. 93.92 93.96 83.86 93.69 93.42 93.10 92.82 92.53 OTHER CURRENCIES

UK clearing bank base lending rate 10 per cent gince May 22

Offer 5 tk

STERLING INDEX Previous Noon ...... 1.00 pm ..... 2.00 pm ..... 3.00 pm ..... 4.00 pm .....

EMS EUROPEAN CURRENCY UNIT RATES ±1.1127 ±1.3659 ±1.5069 ±1.6883 ±4.0734

# MONEY MARKETS

# Bank takes out large shortage

TRIE Bank of England was anxious to meet a very large shortage of funds in the London money market yesterday. The situation was complicated to some extent by a growing body of opinion looking for a cut in interest rates and also banks bublished figure day. This led to the possibility of a number of distortions and the Bank, not willing it give any false impressions, readily took paper on a sale and repurchase basis as low and repurchase of a cut in rates to the US and West Germany.

to the possibility of a number of distortions and the Bank, not willing to give any false impressions, readily took paper on a sale and repurchase hasis as low as \$1 per cent.

Longer term rates continued see amid hopes of a cut in rates in the US and West Germany. While three-month money remained at \$1\frac{1}{2}\tra 51,328m. In Frankfurt call money was a little easier as banks were credited with funds after the latest sale and repurchase tender. With DM 6.8bn entering the market against a maturing facility of DM 4.9bn, the market was well

The Bank gave assistance of 1974m in the morning through outright purchases of film of eligible bank bills in band 1 at MONEY RATES

increasing signs that traders are looking for an early cut in the West German discount rate, especially after yesterday's US GNP figures and the dollar's conease a credit shortage in the money market. The fixed rate of 5.5 per cent was a reduction from the last facility which was offered at 6 per cent. This gave rise to speculation that the central bank was preparing to cut its discount rate.

In Amsterdam the Dutch cen-tral bank accepted bids of F1 4bn for special advances designed to

FT LONDON INTERBANK FIXING (11,00 a.m. August 20) Six months US dollars Three months US dollars

LONDON MONEY RATES 1019-1054 978-10 

Treasury Bills (sell): one month \$95 per cent; three months \$95 per cent. Bank Bills (sell): one month \$95 per cent; three months \$95 per cent. Treasury Bills: Average tender rate at discount \$5.445 per cent. ECGD Fixed Finance Scheme IV reference date July 2 to August 5 (inclusive): 10.009 per cent. Local Authority and Finance Houses seven days' notice, others seven days' fixed. Finance Houses Base Rate 10 per cent from August 1 1986. Bank Deposit Rates for sums at seven days' notice 4.35-4.375 per cent. Certificates of Tax Deposit (Scries 6): Deposit 6100,000 and over held under one month 10 per cent: one-three months \$95 per cent: three-six months \$95 per cent: strained months \$95 per cent; nine-12 months \$95 per cent. Under £100,000 \$95 per cent from August 21, Deposits held under Sense 5 \$95 per cent. Deposits withdrawn for cesh \$95 per cent.

# 

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Our story starts in 1835 when the forerunner of the ANZ Group was granted a Royal charter in London. We have been active in the City ever since.
In the early 1950's ANZ were among the

In the early 1950's ANZ were among the pioneers in developing the Foreign Exchange Market.

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# BANK

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Company Notices

CO-OPERATION ECONOMIQUE (C.C.C.E.) ECU 200 million

Floating Rate Notes due 2006 and 200,000 Warrants to bscribe up to ECU 200 million 7.5% Guaranteed Bends due 2006
For the three months 19th August 1986 to 20th November 1986 the Notes will carry an interest rate of 7.25% per annum with an Interest amount of Ecu 187.29 per Ecu 10.000 nominal and of Ecu 1.872.92 per Ecu 100.000 nominal. The relevant interest payment date will be 20th November 1986. Listed on the Luxembourg Stock Exchange. Fiscal and Agent Bank Benque Paribas (Luxembourg) S.A.

KOMMUNLANEINSTITUTET 91-5: 1980/1990 U.A. s.300.000
On August 7 1986 Bonds for the amount of UA 850.000 nave been framed to the second of the second , August 21 1986. The Fiscal Bank KREDIETBANK S.A. Luxembourgeoise



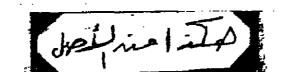
# Alexanders Laing & Cruickshank Holdings Ltd

The International Securities House purpose built for the mid 80's and beyond . . .

Mercantile House Group

BRITISH FUNDS    Since   Since	
101/2 97/2 101/2 107/2 1	M M3
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Financial Times Thursday August 21 1986 | Page | INDUSTRIALS—Continued | INVESTMENT TRUSTS Cont. | 14 or 0 0r | 10 0r LEISURE—Continued PROPERTY—Continued MINES—Continued | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 | 194 5. 125 | -5 | 1015d 1.2 | 3.1 | 566 | +16 | 20160c | -7 | 9.8 | 147 | +7 | 0.15d | 1.3 | 157 | +7 | 0.15d | 1.3 | 157 | +7 | 0.25d | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | 1.3 | Central African 150 15 111<sub>2</sub> Finance 8 15 -12 47 -5 14 -12 8 -1 140 -10 112 -5 25 -1 .. | •91554 1.5 |29.7 ... | **92016** | 1111 25 0.1 12.6 102r 0 25 B- - - + 1000 0.2 17.2 1000 0.2 17.2 1000 0.2 15.5 Miscellaneous | Second | Primarice | Land | etc | "Recent Issues" and "Rights" Page 29
(International Edition Page 19)

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> 1-211 NS/N

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Account Dealing Dates

\*First Declara- Last Account Dealings tions Dealings Day Aug 11 Aug 28 Aug 29 Sept 8 Sept 1 Sept 11 Sept 12 Sept 22 Sept 15 Sept 25 Sept 26 Oct 6 "New-time" dealings may take place from 9.30 am two business days.

Government stocks featured markets with another strong performance yesterday. Optimism mounted over the US authorities initiating a further round of international interest rate reducinternational interest rate reduc-tions, and period rates for credit in London continued to ease in recognition of the situation. The pressures for a cut in the Federal Reserve Board discount rate intensified after Tuesday's latest pridence of floring US occupants evidence of flagging US economic

Gilt-edged investors were encouraged too by the exchange rate's continued firmness against the dollar. Sustained early supthe dollar. Sustained early support from domestic and foreign
sources found stock in short
supply, particularly of longerdated issues since the previous
session's exhaustion of the tap
stock, Treasury 8½ per cent 2007.
The possibility that the UK
authorities could seize the opportunity to announce fresh funding
failed to stifle interest, although
price gains were eventually

of the possible liquidation of the trust's investment portfolio receded after reports that the new owner was in no hurry to sell; it was said late yesterday that some stocks, including the large Beecham holding had been provisionally placed. Activity in the investment trust sector increased as investors searched for new bid candidates but price gains were few. gains were few.

revival and improved 5 to 553p; the interim statement is due next Wednesday. Finlan, enlivened by the Convertible trading Account in the holiday season. Small sellers were active for a while but thereafter selective demand caused prices to revert gradually to their overnight positions. The FT-SE 100 share index, after showing a fall of 9.4 at 9.33, closed a net 0.2 higher at 1.604.6, while the FT Ordinary recovered from 1.259.3 to end 0.6 better on the day at 1.268.4.

English Trust wanted

English Trust were once again English Trust were once again the subject of persistent speculative support fuelled by talk of an imminent overseas bid of 200p per share and the close was a further 8 up at a new peak of 153p. Goode Durrant and Murray, meanwhile, continued to reflect speculation surrounding Impala Pacific's 20 per cent stake in the group and closed 5 dearer at 135p. Guinness Peat, recently supported on suppersions that supported on suggestions that smiths, however, encountered Glazo, still reflecting US the United Kingdom Temperance profit-taking after the recent selling on fears of competition

**EQUITY GROUPS** 

& SUB-SECTIONS

stocks per section

Mechanical Engineering (61) .... Metals and Metal Forming (7) ...

Other Industrial Materials (22)... CONSUMER GROUP (182).... Brewers and Distillers (22).....

CAPITAL 6300S (213)

Electropics (38) ....

Motors (16) ....

Leisure (28)... Publishing & I Publishing & Printing (14) Packaging and Paper (14).

51 | OII & Gas (17) .....

Preperty (50)\_ Other Financial (23), ent Trusts (2001) Investment Trusts (2)... Mitping Finance (2)... Overseas Traders (14)

5 Over 15 years.

todex-Linked

5 All stocks ...

7 Over 5 years.

6 5 YEARS...

OTHER CROUPS (88)

500 SHARE INDEX(500)..... FINANCIAL GROUP (117)... 

Insurance (Composite) (7) \_\_\_\_ Issurance (Brokers) (9) \_\_\_\_ Merchant Banks (12) ....

FT-SE 100 SHARE INDEX 4 .....

**FIXED INTEREST** 

122.98

149.81

114.08

9 Schestures & Laure . | 120.54 | +0.61 | 119.84 | 9.63

Day's change %

166.32 +0.55 165.42

137.91 +0.33 | 137.75

116.11 +8.01 116.10

115.70 +0.01 |115.78

+0.11 122.84 141,69 | +0.36 | 141,47 |

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174.00

... | 65.08 | +0.88 | 54.34 | -- | 3.79

Toes August 19

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143

2.34

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18 Przie

# Interest rate hopes stimulate Gilts and restore stability to equities

ı	and General Provident Institution
	was on the verge of selling its
ı	22.17 per cept stake in the
	company, revived with an
Ē	improvement of 2 at 89p, after
	90p. Hambros moved up a few
	pence to 216p on Press comment.
t	Pence to 2100 of these comments
1	Elsewhere, Australian banks
	gave ground in the wake of the
L	country's austere Budget pro-
1	posals. National Australia
	dropped 20 to 215p, ANZ gave up
ì	18 at 1970 and Westnac declined
•	14 at 192p. Standard Chartered
	softened 5 more to 717p, after
	715p, following comment on the
3	interim results and appointment
t	of Far Eastern investors to the
•	
L	bank's 16-man board.
Ė	Composites continued to reflect

sources found stock in short supply, particularly of longer-dated issues since the previous session's exhaustion of the tap stock, Treasury 8½ per cent 2007. The possibility that the UK authorities could seize the opportunity to announce fresh funding failed to stifle interest, although price gains were eventually pared from nearly a point to ½. The brighter prospects for lower bank base rates found scant reflection at the shorter end of the market. Turnover was moderate and below that of the longs, which was boosted by sizeable switching operations. Index-linked were untested and stayed at Tuesday's closing levels.

Composites continued to reflect recent Press comment. Buying alead of their respective interim statements scheduled for September 3 helped Sun Alliance advance 25 to 692p and GRE put on 10 to 837p. General Accident improved 12 at 834p and Royals moved up 5 at \$27p. Among price closing 17 easier on belance at 73p following the interim profits setback and accompanying profits warning. German group Allianz continued to reflect recent Press comment. Buying alead of their respective interim statements scheduled for September 3 helped Sun Alliance advance 25 to 692p and GRE put on 10 to 837p. General Accident improved 12 at 834p and Royals moved up 5 at \$27p. Among profits exert on belance at 73p following the interim profits setback and accompanying profits warning. German group Allianz continued strongly, rising 6 points more to 15835 following news of the sale of its wholly-owned Australian subsidiary.

Breweries made modest pro-

levels.

Leading equities were thwarted at the opening by Wall Street's easier tone overnight and by confirmation of BPCC's agreed f355m offer for Philip Hill Investment Trust. Recent fears of the possible liquidation of the trust's investment portfolio receded after reports that the new owner was in no hurry to 267p.

Breweries made modest progress despite a number of analysts adopting a neutral stance on the sector in the wake of the Monopolies Commission probe into beer sales. Allied-Lyons, additionally buoyed by Elders bid speculation, improved to a solution of the trust's investment portfolio receded after reports that the new owner was in no hurry to

BPB industries, unsett ud by a report that the EEC is investigating the company's dominant position in the plaster board market, dipped 22 to 488p. Elsewhere in the Building sector, Blue Circle continued its recent revival and improved 5 to 553p; the interim statement is due

W. H. Smith flat

Stores featured a volatile per-formance by W. H. Smith; up to 290p on consideration of

FT-ACTUARIES SHARE INDICES

These Indices are the Joint compilation of the Financial Times,

the institute of Actuaries and the Faculty of Actuaries

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-0.2 -0.6 -0.3 -0.2 -0.6

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Wednesday Angust 20 1986

ES. P.E. (Hei)

151 1428 366 13.99 3.59 17.65 429 15.43 2.80 13.49 427 12.45 44.99 12.95 3.21 16.95 3.76 13.94 2.71 22.78 2.90 21.01 3.90 16.95 3.90

| Index Day's Day's Day's Aug Aug Aug Aug Aug Year No. Change High Low 19 18 15 14 13 ago | |

5 years... 15 years... 25 years... 5 years... 15 years...

| index-Linked | 5 yrs... | 12 | Inflat'n rate 5% | 5 yrs... | 13 | Inflat'n rate 10% | 5 yrs... | 14 | Inflat'n rate 10% | 0 yer 5 yrs... | 14 | Inflat'n rate 10% | 0 yer 5 yrs... | 15 | Inflat'n rate 10% | 0 yer 5 yrs... | 16 | Inflat'n rate 10% | 0 yer 5 yrs... | 17 | Inflat'n rate 10% | 0 yer 5 yrs... | 18 | Inflat'n rate 10% | 0 yer 5 yrs... | 19 | Inflat'n rate 10% | 0 yer 5 yrs... | 19 | Inflat'n rate 10% | 0 yer 5 yrs... | 19 | Inflat'n rate 10% | 0 yer 5 yrs... | 19 | Inflat'n rate 10% | 0 yer 5 yrs... | 19 | Inflat'n rate 10% | 0 yer 5 yrs... | 19 | Inflat'n rate 10% | 0 yer 5 yrs... | 19 | Inflat'n rate 10% | 0 yer 5 yrs... | 19 | Inflat'n rate 10% | 0 yer 5 yrs... | 19 | Inflat'n rate 10% | 0 yer 5 yrs... | 19 | Inflat'n rate 10% | 0 yer 5 yrs... | 19 | Inflat'n rate 10% | 0 yer 5 yrs... | 19 | Inflat'n rate 10% | 0 yer 5 yrs... | 19 | Inflat'n rate 10% | 0 yer 5 yrs... | 19 | Inflat'n rate 10% | 0 yer 5 yrs... | 19 | Inflat'n rate 10% | 0 yer 5 yrs... | 19 | Inflat'n rate 10% | 0 yer 5 yrs... | 19 | Inflat'n rate 10% | 0 yer 5 yrs... | 19 | Inflat'n rate 10% | 0 yer 5 yrs... | 19 | Inflat'n rate 10% | 0 yer 5 yrs... | 19 | Inflat'n rate 10% | 0 yer 5 yrs... | 19 | Inflat'n rate 10% | 0 yer 5 yrs... | 19 | Inflat'n rate 10% | 0 yer 5 yrs... | 19 | Inflat'n rate 10% | 0 yer 5 yrs... | 19 | Inflat'n rate 10% | 0 yer 5 yrs... | 19 | Inflat'n rate 10% | 0 yer 5 yrs... | 19 | Inflat'n rate 10% | 0 yer 5 yrs... | 19 | Inflat'n rate 10% | 0 yer 5 yrs... | 19 | Inflat'n rate 10% | 0 yer 5 yrs... | 19 | Inflat'n rate 10% | 0 yer 5 yrs... | 19 | Inflat'n rate 10% | 0 yer 5 yrs... | 19 | Inflat'n rate 10% | 0 yer 5 yrs... | 19 | Inflat'n rate 10% | 0 yer 5 yrs... | 19 | Inflat'n rate 10% | 0 yer 5 yrs... | 19 | Inflat'n rate 10% | 0 yer 5 yrs... | 19 | Inflat'n rate 10% | 0 yer 5 yrs... | 19 | Inflat'n rate 10% | 0 yer 5 yrs... | 19 | Inflat'n rate 10% | 0 yer 5 yrs... | 19 | Inflat'n rate 10% | 0 yer 5 yrs... | 19 | Inflat'n rate 10% | 0 yer 5 yrs... | 19 | Inflat'n rate 10% | 0 yer 5 yrs... | 19 | Inflat'n r

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	20	19	18	15	14	990	High	Low	High	Low	
Government Secs	89.93	89.62	89.29	89.29	89.00	83.46	94.51 (184)	80.39 (20/1)	127.4	49 <u>.18</u> (3/1/75)	
Fixed Interest	95.83	95.54	95.46	95.48	95.34	88.67	97.68	86.55	105.4 (28.13/47)	50.53 (30.75)	
Ordinary 🕈	1,268.4	1267.8	1,273.6	1,271.0	1,263.2	988.2	1,425.9	1,094.3	1,425.9	49.4 (25/6/40)	
Gold Mines	222.5	219.0	224.9	229.6	230.3	322.8	357.0 (27/1)	185.7	734.7	43.5	
Ord. Div. Yield	4.37.	4.37	4.35	4.36	4.36	4.77	_ <del></del>		TIVITY		
Earnings Yick %(full)	10.56	10.55	10.51	10.52	10.57	11_75	Int	ECES .	Aug.19	Apg.18	
P/E Ratio (net) (*)	11.55	11.56	11.61	11.60	11.54	10.50		Jargains	129.2	108.8	
Total Bargains (Est)	21,731	20,851	23,151	20,598	20,525	21,989	Equity Barg Equity Valu		126.8 1062.1	108.8 128.0 961.9	
Equity Turcover £m	_	525.47	475.88	747.81	653.93	385.74	5-Day Aver	- T	1 1		
Equity Bargains	_	19,578	19,757	19,585	19,550	22,583	Gik Edged I Equity Bars	Bárgales	1332	109.9 127.B	
Shares Traded (mi)	-	228.2	221.9	294.5	295.5	184.6	Equity Valu		127.6 1231.2	1264.0	
	10 a.m. 125 <b>9</b> .9		a.m. 51.8	Noon 1264.3		p.m. 266.4	2 p.m 1267.		9 p.m. 267.7	4 p.m. 1267.9	
Day's High 1268.6. Day's Low 1259.3.											
Basis 100 Govt. Secs 15/10/26, Fixed Int. 1928, Ordinary 1/7/35, Gold Mines 12/9/55, SE Activity 1974 *NII=11.16.											
	LONDON	REPOS	T AND	LATEST	SHARE	INDEX:	TEL OL	246 8026			

FINANCIAL TIMES STOCK INDICES

Among Hotels and Caterers, Garfunkels Restaurant rose 5 to 135p in anticipation of today's interim figures. THF put on 3 at 154p and Grand Metropolitan added 5 at 380p. Still reflecting the abortive merger discussions, Mount Charlotte Investments softened a penny further to 93p as did Pleasurama to 315p.

Glaxo above worst Glaxo, still reflecting US

Migra Aug 18

11.48 668.54 669.40 686.91 536.32 13.70 793.75 786.89 779.46 559.30 19.36 1233.69 1223.80 1218.76 834.67 36.35 1820.17 1812.65 1802.69 1414.50

Fri 409 15

Year ago (approx.)

speculative rise and fell 8 to 210p. Next attracted "call" option business and improved 4 ing to close 15 cheaper at 950p to 256p, while takeover chatter for a two day loss of 45. Hanson again surrounded handhag merchants Lanca, 8 higher at 58p.

Quietly dull conditions prevalled among leading Electricals.

Racal remained on offer in the wake of the annual general meeting and lest 4 more at 176p. traded option business to close 18 heavy to 194p and STC to 142p. traded option business to close 18 heavy to 194p and STC to 142p. traded option business to close 18 heavy to 194p and STC to 142p. traded option business to close 18 heavy to 194p and STC to 142p. traded option business to close 18 heavy to 194p and STC to 142p. traded option business to close 18 heavy to 194p and STC to 142p. traded option business to close only a couple of pence to 186p as did pressey to 194p and STC to 142p. while Boots, down to Elsewhere. D. J. Security Alarms reflected fading takeover hopes close only a couple of pence assier on balance at 219p. Outside of the miscellaneous industrial leaders, Fisons responded to news of the acquisition of the acquisition details left Broms-growe a couple of pence lower at 165p, but recent contract news prompted a further gain of 2 to 195p in Gestetner. Buyers to 202p in Crown House.

Neepseud review among smaller tries, 10 up at 490p: the interim pence dearer on buying ahead of the ingures due soon left and without a fall of the deal with 10c, and the figures due soon left soon left and a portfolio of 9 freehold shops in York for £1.96m cash. closing 10 dearer at 255p and the "A" 5 better at 170p.

Engineers passed an uninspiring trading session and occasional movements rarely exceeded a few pence either way.

Acquisition details left Bromsgrove a couple of pence lower at 116p, but recent contract news prompted a further gain of 2 to 202p in Crown House. Neepsend revived among smaller priced issues and closed a similar amount dearer at 28½p.

Buying on further consideration of a Scott Goff circular thelped Glass Glover advance 17 more to 225p, Hunter Saphir rise 18 to 153p, and Albert Fisher harden a penny further to 181p. Elsewhere in a subdued Food sector, Unigate relinquished 5 at 280p, while Bejam lost 3 at 185p.

Among Hotels and Caterers.

Horizon Travel hardened a penny to 120p, the worse-than-anticipated interim loss being outweighed by the board's conoutweighed by the board's confidence over second-half trading. International Leisure put on a couple of pence to 116n following the encouraging tenor of the chairman's statement at the annual meeting. Elsewhere in Leisure issues, Herrburger Brooks rose 5 to 70p, after 75p, in response to the doubled preliminary profits.

Jaguar remained friendless

Jaguar remained friendless, falling to 471p before settling 15 lower on balance at 483p reflectting US selling and the downward revision of brokers profits estimates in the wake of the uninspiring half-timer. Reliant, depressed of late following adverse comment highlighting production problems with the SSI spects car, rallied a couple of pence to 180. Among Components, AE hardened a few pence to 2350 following the profit and dividend forgests constituted. fit and dividend forecasts con-tained in the latest rejection of the offer from Turner and Newall. The latter now controls

shops in York for £1.96m cash.

Textiles gave modest ground where changed. Courtaulds, 260p, Lister, 117p, and Dawson international, 252p, all shed a few pence. John Crowther, however, continued to benefit from an encouraging circular from brokers de Zoete and Bevan and hardened 5 more to 162p.

Bats attracted fresh support ahead of next month's interim ahead of next month's interim statement and touched 418p before closing 7 dearer on balance at 415p. Rothmans put

Dealings in British Printing

on a few pence to 161p.

Dealings in British Printing and Communication and Philip Hill Investment Trust resumed following details of the agreed offer. The former, which also revealed proposals for the acquisition of Webb, a US magazine publishing and printing business, dipped to 278p before settling a net 17 cheaper at 281p. Philip Hill finished a couple of pence cheaper at 321p. The development failed to inspire other Investment Trusts, although investors were clearly anticipating further rationalisation of the sector. Financials were generally sector. Financials were generally subdued. Barrie Investment hardened it more to 161p, again reflecting hopes of a higher bid from Bestwood. Fresh speculative demand lifted London Merchant Securities 3 to 61p and the Deferred 4 to 52p. Westman the Deferred 4 to 52p; Westpool, which controls just over 50 per cent of LMS, rose 6 to 61p.

ained in the latest rejection of the offer from Turner and lewall. The latter now controls 4.97 per cent of AE.

Paper Printings highlighted

The strong buying of leading the strong the strong buying of leading the strong the strong the strong the

### **NEW HIGHS AND LOWS FOR 1986**

NEW HIGHS (49)

AMERICANS (5) American Cysnamid,
Ameritach, Ford Motor, Pacific Gas &
Elec, Pacricorp. BANKS (2) English
Trust, Goode Durrant & Murray.
BEREWERS (1) Fuller Smith & Turner A.
BUILDINGS (6) Attwoods, Baldwin,
Finlan, HAT. HECTRICALS (4) Checkpoint Europe, Macro 4, NEC Corp.
Toehibs Corp. ENGINEERING (1)
Downiebrae. FOODS (2) Dalepak
Foods, Jacob (W. & R.). INDUSTRIALS
(5) Bridport-Gundry. British Vits,
Fisons, Peerless, Restmor. INSURANCE
(3) Loodon United Inva., Marsh &
McLisnan, Talsho Marine. LEISURE (1)
LWT. NEWSPAPERS (1) Musterlin,
PROPERTY (5) Estatas Prop Inv. London
Shop Prop, Do Spc Cnv. 1994-93, Mountview Estates, Prop & Reversionery.
TRUSTS (14) Crescent Japan, Fisming

NEW LOWS (19) NEW LOWS (19)

AMERICANS (2) Cont Illinois Corp.
Rohr Inda Inc. STORES (2) Gee
(Cacil). Goodman Bros. ELECTRICALS
(5) Blick, CPU Computers, Circaprint.
Systems Reliability, United Leasing.
ENGINEERING (1) TACE. FOODS (1)
Batteys. IMSURANCE (2) Dewey
Warren, Heath (C.E.). LEISURE (1)
Samuelson. SHIPPING (1) Turnbuil
Scott. TRUSTS (2) Argo Inv. Fleming
Tech Inv. PLANTATIONS (1) AngloEast Plants. MINES (1) Carr Boyd.

### BASE LENDING RATES

	%6		% i
ABN Bank	10	Exeter Trust Ltd	1914
Allied Arab Bank Ltd	10	Financial & Gen. Sec	10
Allied Dunbar & Co		First Nat. Fig. Corp	11
Allied Irish Bank		First Nat. Sec. Ltd	11
American Express Bk	10	● Robert Fleming & Co	10
Amro Bank	10	Robert Fraser & Ptrs	31
Henry Anabacher	10	Grindlays Bank	±īn i
Associates Cap Corp		Guinness Mahon	
Валсо се Віївао	10	Hambros Bank	
Bank Hapoalim	19	Heritable & Gen. Trust	
Bank Leumi (UK)	18	Hill Samuel	
Bank Credit & Comm	10	C. Hoare & Co	10
Bank of Cyprus		Hongkong & Shanghai	10
Bank of Ireland	16	Promise & Co I M	1014
Bank of India		Knowsley & Co. Ltd	1633
Bank of Scotland	16	Lloyds Bank	TA
Banque Belge Ltd		Mase Westpac Ltd.	16
Barclays Bank	18	Meghraj & Sons Ltd	
Benchmark Trust Ltd	10	Midland Bank	19
Beneficial Trust Ltd	71	Morgan Grenfell	16
Berliner Bank AG	16	Mount Credit Corp. Ltd	
Brit. Bk. of Mid. East		National Bk. of Kuwait	
Brown Shipley		National Girobank	
CL Bank Nederland	15	National Westminster	
Canada Permanent		Northern Bank Lid	28
Cayzer Ltd		Norwich Gen. Trust	10
Cedar Holdings	70	PK Finans. Intl (UK)	
Charterhouse Bank	11	Provincial Trust Ltd	11
		R. Raphael & Sons	16
Citibank NA	18	Roxburghe Guarantee	11
Citibank Savings	14574	Royal Bank of Scotland	
City Merchants Bank		Royal Trust Co. Canada	10
Clydesdale Bank	10	Standard Chartered	
Comm. Bk. N. East	梅		
Consolidated Credits	10	Trustee Savings Bank	
Continental Trust Ltd	18	UDT Mortgage Express	1787
Co-operative Bank	-12	United Bank of Kriwait	
The Cyprus Popular Bk	10	United Mizrahi Bank	19
Duncan Lawrie	TO.	Westpac Banking Corp.	10
E. T. Trust	11	Whitesway Laidlaw	10%
Equatorial Tst Corp. ple	10	Yorkshire Bank	10
		Committee # 7-day decority E 400	, , i

month 6.03%. Top Tier—£2,500+ at 3 months notice 9.72%. At tail when £10,000+ remains deposited. ‡ Call deposits £1,000 and over 64% gross. ¶ Mortgage base rate. § Demand deposit 5.82%. Mortgage 11%.

Share prices moved narrowly in quiet and generally nervous trading and Shell eventually settled? easier at 868p. Britoil dipped a couple of pence to 130p, after 128p, but BP held around 625p Secondary issues were generally easier — Carless Capel and Sovereign lost 2 apiece at 54p and 26p respectively—but IC Gas continued to attract good support on takeover speculation and rose 3 more to 433p. Triton Europe added 5 more at 123p—a gain of 26 over the past three days.

Mining markets were high-

Mining markets were high-lighted by widespread weakness in Australian issues as the Australian dollar fell sharply in the wake of the Federal Budget. The exchange rate fluctuations The exchange rate fluctuations were mainly responsible for hefty losses in leading downunder stocks which showed double-figures falls common to Western Mining, 10 off at 140p, Gold Mines of Kaigoorile, 35 cheaper at 405p and Sons of Gwalia, which dipped 12 to 235p. Other weak spots included ACM, 9 lower at 115p, CRA 6 easier at 250p and MIM which gave up 2 like amount to 69p. Bougainville retreated 10 to 108p despite the sharply higher interim profits.

A firmer trend in precious metal prices and a steady performance by the Financial Rand encouraged a round of "cheap buying" in South African sectors. The demand quickly found I conden markets short of sectors. The demand quickly found London markets short of stock and prices moved ahead for much of the session before lor math of the session when Johannesburg selling into America prompted a general

America prompted a general mark down.

Nevertheless, Golds ended the day with modest overall gains and the Gold Mines index, registering its first gain for five trading sessions, picked up 3.5 to 222.5. Prominent among leading Golds were Randfontein, fil up at £45]. Southwaal, a point firmer at £18½ and Vaal Reefs, to the good at £39;. Western Deep edged up to £19 and Winkelhaak rose to £10).

A generally unfavourable Press on the disappointing interim results triggered.

Press on the disappointing interim results triggered renewed initial selling of De Beers, but sentiment subsequently improved and modest overseas support lifted the shares to a closing level of 417p, a net gain of 3. Gold Fleids of South Africa added 12 at 645p in the wake of the 30 per cent jump in preliminary profits in Rand terms. Elsewhere in South African Financials, "Ameoal" edged up 12 to 357p, Genbel a like amount to 525p and New Wits 25 to 300p. Impala Platinum, 5 off at 710p, reflected disappointment with the annual former than a cuter UK Financials. disappointment with the annual figures. In a quiet UK Financials sector, Rio Tinto-Zinc rose 8 to 595p and Consolidated Gold Fields added 12 at 474p.

Traded Options

Persistent and often substantial demand for Traded Options resulted in 28,317 contracts struck—the highest total since May 28 this year. As on Tuesday, Hanson Trust was largely responsible for the buoyant volume, recording 1\*262 calls with over 3,000 aplece done in the September and December 180 series. Hanson also attracted a sizable put business with 5,287 trades struck, 3,546 of which were transacted in the December were transacted in the December 180's. Elsewhere, Jaguar remained lively with 1,374 calls remained lively with 1,374 calls and 702 puts traded reflecting large hedging operations in the wake of the disappointing interim figures and subsequent downgrading of brokers' profits forecasts. BAT Industries attracted 1,236 calls ahead of next month's mid-term figures.

EUROPEAN OPTIONS EXCHANGE 2 12.70% 22 12.70% 5.50 19. IIII III 2.60 5.90 9.50 13.60 27 43.70 37.50 --FI,203.10 FL95-10 FEE 30 PL107.00 4.20 4.50 3 FL30.70 FI.104.30 250 520 230 230 230 1250 650 520 350 1450 15100 1230 F1.03.30 F1,374.56 F1.05.60 190 290 14 FI-53-00

### TRADITIONAL OPTIONS

5-34

C=Call

Deal- Declara Settle-ings tion ment ings ings tion ment
Ang 18 Sept 5 Nov 20 Dec 1
Sept 8 Sept 19 Dec 4 Dec 15
Sept 22 Oct 3 Dec 18 Dec 29 For rate indications see end of Unit Trust Service Money was given for the call of Hampton Trust, Ragian Pro-perty Trust, Bahceck Inter-national, Control Securities, Poly-

pipe, STC, Amatrad, Johnson and Firth Brown, Thomas Robinson, Abaco Investments, Ryan International, Norank, North Sea and General, Next, James Fisher, George Wimpey, Egorton, Sears, Triton Europe, Sketchley, Cifer, Tesco, Associated British Eaglneering, Carless Capel, Parkale, Barham, Hanson Trust and NMC Investments. No puts were reported, but a double option was taken out in Hanson Trust.

### YESTERDAY'S ACTIVE STOCKS

Above average at	ctivity w	as noted	in the followin	g stocks	ye storda)	į.
Stock Artwoods BAT Industries BPB Industries British Aerospace BPCC	Closing price 178 415 488		Stock Costa Viyella Crowther (J. Grand Metroj Jaguar Smith (W. H. Sun Alliance	oolitan	Closing price 494 162 380 483 280	Day's change - 6 + 5 - 15 - 16 + 25

### TUESDAY'S ACTIVE STOCKS

_				•			
	Basad	on ber	geins rec	orded in SE Off	iciel List		
Stock guar szo R seechera hell Transpt.	19 16 15 15		Day's change -27 -30 - 1 - 6 + 5	Stock BAT Industrie BP	13 13 12 11	close 4C8.	Day : chang + 2 + 15 + 8 + 2 + 3
RIS	ES /	AND	FAL	LS YEST	ERD	AY	
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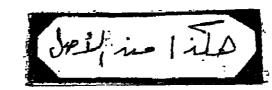
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ritish Funds orporations, Dominion and Foreign Bonds mancial and Properties is antations ines there	Rices 91 23 234 85 13 6 36 49	Falls 3 0 363 99 35 2 80 94	San 3
Totals	544	686	1,5

			L	ON	DO	N	TRA	DED OP	TiO	NS				•	
		CALLS			П	PUTS				Ţ	CALLS		PUTS		
Option		Oct.	Jan.	Apr.	Q4E	Jan.	Apr.	Option		Aug.	Nor.	Feb.	Aug.	New.	*
Affed Lyons (*931)	300 333 340	45 27 10	55 25 20	55 <b>45</b> 28	15 35	9 20 37	12 23 40	Midfand Bk. (*537)	500 550 600	40 5 1	중	70 40 22	17	28 67	15 22 70
B.P. (%25)	500 550 600	130 80 35	142 95 55	耍	1 4 18	9 11 27	20 35	P. & G. (*505)	460 500 550	48 10 2	55 27 12	70 25	1 5 47	7 22 50	以以及
Cons. Gold (~46/9)	420 460 500	70 35 14	80 50 28	90 57 38	9 25 52	17 38 67	25 47 75	(*176)	160 190 200	20 4 1	28 17 9	34 22 14	2 6 24	5 14 26	16 26
Courtsulés (*250)	240 260	30 37		- 38 27	90 3 30	15	-  -	R.T.Z. (*990	500 550 600	97 47 9 122	167 65 47 20	1275	2 17 16	5 15 37 75	20 X X X
Com. Unice (*307)	280 280 300 330	9 30 11	36 25 14	42 30 20	25 4 10 29	7 14 31	9 19 35	Vani Reefs (*\$58)	50 60 70	832 134 634	12 7 . 3	20 1255	1 3 12	34. 6 13	25°5
Cable & Wire (*337)	300 325 350	45 28 10	57 40 25 13	72 55 37	6 12 27	8 17 32	15 25 37	Tr. 111/4: 1991 (%:)09)	106 108 110	24 (4 6)	3 15 04	2 14		0/6 114 24	11,
Distilers (*740)	375 600 650	5 155 105	13 -	=	45 1½ 2½	=	=	Tr.132-X 63/07 (*5120)	證	200	5% 4 3 24	墾	<b>発展</b>	11 2 2	200 m
SEC.	700	63	22	=	ļ.,	<del> -</del> -	<del> </del>	Option		Sep	Dec	N.	Sep	Dec	l History
(*386)	200 220	15 7 3	12 5	28 18	17 36	26 35	22	644chum (*995)	360 390 420	42 22 8	52 35 20 10	83 43 30	4 118	9 22 40	25
(*381)	362 370 420	25	35 35 25	#8 43	18	30	35	Boots (*219)	200 220	24 24 13	34 23	18 41 28	68 2 12	70 3 13 27	72
EG.L (*994)	900 950 1000	110 67 37	142 102 67	120 84	5 14 30	10 20 40	28 50	57R (*296)	250 300 307	20 7	35 22	19 45 35	6 20	12	75 17 28
Land Sec. (*324)	300 330 340	31 11	57 40 20 10	57 48 29 17	50 4 12	7	75 8 16 38	Ban. (*743)	700 750 800	58 20	75 49 25	18 BB 6	8 + WS	13	23 43 63
Maris & Spen. (*207)	180 200 220	30 14	36 22 11	43 30 16	38 1½ 4 15	38 7 16	5 10 18	Blate Circle (*553)	550 600 650	18 6 1	42 20 5	58. 32 20	20 20 20 20 20 20 20 20 20 20 20 20 20 2	Ban 8	22 25 115
Shell Trans. (*866)	900 850 900	73 38 15	90 55	110 75 48	7 20	19 37 67	32 50 72	De Beers (*\$6.25)	550 600 650 700	90 55 30 15	100 75 48 27	138R4	d The	2886	30 35 60
Trainiger House (*281)	260 280 300	29 17 5	36 25 12	43	6 14 23	9 19 26	15	Dhom. (*362)	300 330 360	68 38 14	76	F 69 36	100 3 12	4 7 16	120 20 20
Option		Ang	Nov	Mar	Aug	Nov	Mar	CiOs	260	15	29	40	-	12	
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	236 240	-	-	 89 <sub>2</sub>	29 —	<u></u>	33	(*940)	900 950 1000 1050	70 40 22 10	50	1481	15 37 70	855	R 75
Option Brit Aero	1 444	Acq.	Non.	Feb.	A	Nou.	Feb.	Namon	136	50	35	50	115	125	135
(~496)	960 500 550	1	35 33 33	73 48 25	1 8 50	원 57	18 92 65	(*154)	150	36 25 25 37	34 177 57	日発表型	14,	37	 50:
BAT Inds (*416)	300 300 400 440	58 28 5 04	65 22 7	20 20 20	97 17 19 45	1 11 23 48	8 15 27	Japan (*480)	200 460 500 350	12	45 30	-	33	17	五 五
Bardaya (*199)	420 460 500	73 33 4	2 25	67 40	222	13	- 17 37	Thorn (514)	440 440 550	2 12 15 15 15 15 15 15 15 15 15 15 15 15 15	1 8 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	23 97 70 44	75 17 15	85	HHR
Brit. Telecom (*196)	180 200 220	18 2 04	24 14 65	30 30	11/2 7 25	6 15 26	71 <sub>2</sub> 20 30	Tesso (*400)		77	88	=	2	14 27 4	
Carbury Schwepper (*168)		8 1	19	25	75 35	6 15 37	11 20 37		330 340 350 430	\$9 2 2	95 22	72 48 30	2 2 2 2 2	20 13	11.
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LASM0 (*126)	110 120	29 10	27 20 11	27	3	7 12	12 15	1650 1675 August 20, To			5   Z				

4Opening index 1597.5; 10 am 1596.6; 11 am 1597.4; Noon 1600.6; 1 pm 1602.3; 2 pm 1603.2; 3 pm 1603.3; 3.30 pm 1603.0; 4 pm 1603.1 † Flat yield. Highs and lows record, base dates, values and constituent changes are published in Saturday issues. A new list of constitue is available from the Publishers, the Finishelal Times, Bracken House, Cannon Street, London EC4P 4BY, price 15p, by post 28p.

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# **LARKETS**

				VV	UK	LU:	STO	UK I
USTRIA	GERMANY	NORWAY	. Price , + or	AUSTRALIA (continu	red)	APAN (conti	Price: 4 or	1 ====
Aug. 20 Price + or Sch edit/net/ft pp. 2,305 +45	-	+ or Aug, 20 Bergens Bank	Kroner —	Aug. 30 :Aust. 5	- I	AUG., 20	.Yen : —	CAN
#### 3,400 +10 erunfall	Althora Mare 0 675	-35 Christians Ban -4.5 DenNorske Cre	365	Hardie James: 3.6 Hartogen Energy 1.9 Herald W'yTimes 6.10	40.1 M	itsui Bank Itsui Co Itsui Estate	1,230 + 80 795 + 22	Sales Stock
nderbank 2,305 +50 mooser: 635 +10	Baver-Hypp 602	-4.9 Elkem -8 Kosmos -13 Kvaerner	id. 166.5 -0.5 101 +0.5 135 +2 177,5 -9.5	ICI Aust 2.45	0.05 M	litsui Toetsu litsukoshi	1.400 +14 1.400 +110	} -
r Daimler 159 +2 schor Mag 10,10040	BHF.Bank	Norsk Data	' 95 —1,5 : 811 —75	Jimbertana F.P., 0 22 Kia Ora Gold 0 17 Kidston Gold 7.1	+0.2 N	GK Insulators ikko Sec., ippon Denso	2,180 +80 1,330 -20	Closi
LGIUM/LUXEMBOURG	Brown Boveri, 326.5 Commerchank 326 Cont'l Gummi 322	-3.5 -4.5 -6	277.5. +12	Lend Lease 8.94 Mim 101,66 Mayne Nickless 2.7	2 A 26 I N	ippon Elect ippon Express ippon Gakki	1 Z10 . Z0	2175 AMCA 1100 Aberto
Aug. 20 Price + o	Palmier Banz 1,971 Degussa	-11 -25.5 SPAIN +1		Nat. Aust. Bank. 5.36 News 24 Nicholas Kiwi 3.8	-0.18 N	Dpon Gakkı ppon Kogaku ppon Kokan ppon Gil	876 . —9 870 +11 1,100 —10	2400 Ababb 9850 Agaica 26400 Albria
q. Gen. Lipx 15,600 q. Int.A.Lipx 14,900	Dresdner Bank 447	-11 Aug. 80	Price + or	Noranda Pecific 1,26 North Bkn Hill, 3,00 Oakbridge 0,77	-0.82 N	ippon Shimpan ippon Steel	1.540	9400 Albrta 32969 Alcan 13849 Algori
iert 12,000	Henkel		1,060 !	Pacific Dunlop 8,52 Pancontinental 2,45 Ploneer Cong 2,50	+0.02 N	ippon Susan ippon Yusen saan Motor	572 +4 550 —18	29750 Asams 23896 Asco I 5600 Atco I
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rique Nat 8,130 nno 8M	Hussel	+2 Bcc Vizcaya Dragados Hidrola	3609.5 117.8 -3.5	Repco 2,35 Santos 3.70 Smith Howard 4,45 Thos, Natwide 3,1	0.88	node Cement rient Finance rient Leasing lonser	1,410 +50 4,420 + 20	80724 BA BC 57975 BA M 79544 BI NS
erale Bank 5,000 aert 5,850 + 10 cken 7,390 - 14 room 3,900 + 70 dietbank 18,025	KH3 918	-2.5 Petroleos	3417	Tooth 5.7 Vamgas 2,4	Ri	coh ankyo anwa Bank	768 + 2 1.700 + 20	100452 Bell C B100 Blues 896 Borian
n(486 11.200 + 12	Lufthanss 208	-4 -7		Western Mining 3.45 Westpac Bank 4.7 Woodside Petrol. 0.98	0.8 S	anyo Elect apporo ekisui House	401 + 5 1,440 + 10 1,620 + 20	34074 Bow \ 1400 Braior 400 Brama
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2175	AMCA Int	S141 <sub>2</sub>	1814	1414		8810   12165	Con Bath A CDistb B 1	5231, 553,	23 5%	231 <sub>4</sub> 55 <sub>4</sub>	- ,4	1003 4003	Lacana Ladiaw A	552 <sub>4</sub> 5224	93 <sub>0</sub> 223 <sub>0</sub>	95g 223g	1	31921	Seagram Sears Can	\$121g	11	1218	+ 5
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2400	Abilibi Pr	\$22'>	22'4	2217	-17	200	Con Glass	\$23	231	23.7		16625	Langh Inst	555g	121.	123	-	17490	Shell Can Sherriff	5215 <u>.</u> 5638	2112 61a	215g	+ 1,
9850 26400	Agnico E Albria En	\$2614 \$1134	26 11½	261g	+ 12 - 14	25935 13242	CTL Bank Conwel B	\$111 <sub>4</sub> \$81 <sub>4</sub>	105 <sub>8</sub> B	1114	- 50	5630 3203	Lotiaw Co Lumonics	\$13	1274	12%	- 1	100	Sigma	511	11	11	
9400	Albrea N	\$125	1212	1212	- Iĝ	200	Corby	\$2004	2034	2014	٠,	106220	MICC	5814	7.0	814	+ '8	11678	Soumm	\$22.4	27	323	- 1 <sub>1</sub>
32969 13849	Alcan	\$417g \$13	415 123	415 73	- 16 + 1	800 800	C Falcon C Coseka A	\$157 <sub>4</sub> 105	153 <u>.</u> 95	1514	-5	6271B	Melan H X	\$19% \$17%	19 17'4	19 17h	وا ۵	200-0	Spai Aero ! Stempg A 1	5251. 5421.	24%	42	-1
29750	Algoma St Asamera	591 <sub>4</sub>	874	914	+ 10	41800	Costain Ltd	\$13%	1217	95 133₄	-3	16818	Macmilan	\$387	381	383	•	58670	Sielco A	\$21	ZO-	21	<b>→</b> 1
23896	Atco I I	\$81 <sub>4</sub>	814	B14	•	2100	Сгомпа	5281	281	281	-	59610	Magna A f	\$353	351	353 <sub>4</sub>	+ '6	50	Sulptro	50 5231 <sub>2</sub>	50 23	50 231 <sub>2</sub>	+ 5
5600 1700	Atço (I BC Sugar A	\$84 \$213	818 2113	818 213	- 3g	20758 21800	Crowns A 1 Czar Res	5120 <sub>8</sub> 150	12% 145	12\a 150	- 14	2396 23303	Mort Res	515 305	15% 295	705	45	18216	Terra Min	:35	215	215	- 1
1100	BGR A	\$8	778	0 `	-	68577	Denison A p	\$534	559	534			Mitel Corp	561	6	6'4		1,7661	Texaco Can		27	2712	=:
1268 80724	BP Canada Bh BCol	\$30 270	29 255	30 265	<b>+ 1</b>	7238 2400	Demson B i Develcon .	\$57 <sub>4</sub> 300	5% 300	51g 330		300 51450	Moria: Maison A I	513 g 5261	13. <sub>6</sub> 25.	13/g 25/4	- 18	33-6 12323	Thom NA Tor Dan Bit	500.0	29 223 <sub>4</sub>	29 22	- 1
57975	Bk Mont	532	314	32	+ 10	18900	Dicknen A 1	59	8:,	مد	+ %	900	M Trusco	512'a	11/6	12	- 18	575	Tor Sun	S	277	775	-3
79544	BI NScot	\$1512	1514	15%	÷ !š	3400 43984	Dicknsn B Dolasco	504 523).	815	8.4	• 14	41710	Magro Nat Gk Can	\$33 \$264	32% 26	33 36%	- 1	5118 2900	Torsiar B f	532 525-a	315g	312	- 3
700452 B100	Bell Can Bluesky	\$385 <sub>3</sub>	3814 3814	381 <sub>2</sub> 285	+ la -5		Dome Mine	22.2.	231; 61;	23%	- 1	9100	NI VG TICO	\$2712	2714	27	- 12	2754	Tradors A r	549	49	49	
896	Bonanza R	145	145	145	- 15	42629	Dome Pete	135	132	135	- 3	1011	Niid LP A	5181	1824	18		12130	TrCan R A	1D.	102	102 154	-6
34074 1400	Bow Valy . Braiome	\$117 <sub>8</sub> 165	לוו 160	111 <sub>2</sub> 185	-14 +5	2126 11700	D Textie	\$193 5303	19°4 30°4	19 <sup>1</sup> 8 301-	- 15 - 14	113300 5373	Norcen	5181- 5131 <sub>4</sub>	181 <sub>8</sub> 133 <sub>4</sub>	181	- 12 - 18	22925	Tras Alt Trasige US	\$15% \$29%	15 293 <sub>8</sub>	333	- 1
400	Bramalca	52274	22½	2272	-3	3000	Donohue	5261	261	2615	-4	2974	Noich ord !		1274	1274	- 1,	53511	TrCan PL	\$17	16	16	- 5
	Brascan A	\$2712	27	273	+ 4	2900	Du Pom A	\$341	330	3415	- '-	34 76425	NG Orls No Tel	59% 541	9°8 40°-	97g 40-a	- 1,	80000 4282	Trilon A Trimac	\$30 250	32 4	33 250	+5
4800 200	Briswater Branda M	\$53 <sub>4</sub>	5°:	ಕ್ಕು ಕ್ಕು	+ 14	93076	Dyles A E-L Fin	\$161, \$581,	15°a 58°a	161a 581a	- 16	2300	Normgar	553	514	5	- 1	1900	Trizec A 1	532	317	3Ž	
52807	BC ForP	\$13	1234	1274	_	103260	Echo Bay	5265	255	2612	- 1 8		the AllA 1	490	475	490	- 1C	1025	Trizec B Ulsier P	533	33 132	33 132	* 1
9466 15725	BC Res BC Phone	130 \$271 <sub>2</sub>	128 27%	129 27 5	+1	300 4550	Empo Equity Syr	\$31% \$5	31 470	31½ 5	• 35	100	Newsco W Nu West	\$11%	111 <sub>8</sub>	111 <sub>8</sub> 32	- 3	7600 800	Un Carbid	136 515%	14 8	147	-1
700	Brunswk	513	12.8	73	+ 16	4500	FCA Inti	521	20%	21	- 1 <sub>8</sub>	200	Numec	2914	914	914	- 1	7775	D Entpriso	\$17-3	11'5	111	~ 1
58720	CAE	5114	11	11	- 18		Flenbrdg	\$1814 \$161 <sub>4</sub>	175	78		14100	Cavescot Caked A I	260 155	360 155	250 155	+5 (	200	U Canso	65	65	CS.	
1400 300	CCL B 1	518 526%	17% 26%	18 364	• •	16400	Foot and A FCatv Far	\$133,	161j 133 <u>a</u>	161 <sub>4</sub> 133 <sub>4</sub>	~ 1 <sub>0</sub>	3730	Ocelot B I	300	285	300	• •	F - No.					
76958	Cad Frv	5227	321g	323	- 30	180	Ford Cnda	5151	151	151	-3	13100			480	460		righte	որդոց <b>ւ</b> մեք	14	resinci	en voi	ang
5800 47520	Cambridg Camp Ruk	\$241 <sub>2</sub> \$26	2414	2412	- 30	5100 3000	Gandalf Geac Comp	\$81 <u>-</u> 470	53 <sub>5</sub> 450	81, 455	- 15	32072 33910	Oshawa A S Pacily Airi	5181:	22% 17%	23 161-	1 70						
12048	Camp Res	209	200	202	-7	1300	Gendis A	\$191 <sub>8</sub>	19	181 <sub>8</sub>	+ 'a	15159	Fourm At	\$145 <sub>e</sub>	1478	141	'g						
20350	Camp Soup	\$331,	33	33.4	+ 14	528	Grant Yk	\$21 \$8%	1912	21	+ 24	700 2968	Pambur PanCan P	\$12 \$261	113 364	261-							
8400 2220	Campeau f	5281e 5143e	28 141 <u>a</u>	281	+ 1 <sub>a</sub> :	1000 34500	Gubritar Galdcorp i	37's	81.	B':	- 12	7109	Pegasus	5104	10%	1026			MON	TDE	: A T		
2325	1 303	S63 <sub>9</sub> "	614	61 <sub>4</sub>	- 1	700	Gration A f	\$18	16	18		7100	PJewi A I	5177B	1217	121	, ,						
14724 329	C Nor West	\$151 <u>-</u> \$163 <u>-</u>	15 h 16 Ja	15'z 16'-	+ 14	300 200	GL Forest Gr Pacific	\$23 \$42	23 42	23 42	- 14 - 1	4115 863044	Pine Point Place: D	591- 529: <sub>2</sub>	91. 283	91,	+ 3g		Closing pri	ces A	ugus	I SU	
400	CS Pele 1	450	450	450	+25	550	Greynnd	527	264	285	•	25700	Poco Pet	SBL	814	BI4							
300	Can Trust	548	470	48		12000	GuarPA /	512	125	1274	- %	19100	Powr Car I	\$161	1610	161 <sub>2</sub> 330	- 1 <sub>4</sub>	37806	Bank Mont	502	3124	31	
210	CG Invest	\$58 \$175	55% 17%	171		3900 425	Gulf Can Hawker	5143. 5275.	275g	145g 275g	-32	15800 3309	Precamb Proviso	518	375	171-	1-9	2938 13635	BombrdrA BombrdrB	522	22 211,	22	+4
3700	C Marcon	\$25%	25 -	35 e	+4	3544	Hayes D	51414	147,	1434	- 1	1660	Que Sturg	495	485	495	+5	600	CB Pak	S26 4		2614	
	C Ocdenzel	\$1814	19	19	-14	43390	Hees Inth	\$35.1	31:8	3.10	- 13	-400   13400	Quebecor	\$16 \$5'4	16	16 55	- 1 <sub>8</sub>	55057	Cascades	517 4	171	171,	- 1
44523 262830	CP LId	\$15 \$133	143 <sub>5</sub> 131 <sub>7</sub>	15 1334	+ 18	495 353	H BayMen s H Bay Co	\$6% \$27%	618 273 <sub>8</sub>	6°a 273a	- 1 <sub>8</sub>	3500	Ranger Rayrock f	351 361	51 <sub>2</sub> 6	6,9	- 10 - 10	1040	ConBath DomTatA	5231 <sub>4</sub> 5191 <sub>4</sub>	231 <sub>4</sub> 1914	231 <u>.</u> 1914	+ 1
30072	CUM A I	\$191g	19	1918		102990	Husky Oil	581g	776	B1m	- 's	1800	Redpath	\$25	751	2514	- 15	3100	MotTrst	5121g	11'6	11/6	- 5
12338 3600	Cutil B	\$191 <sub>4</sub> \$133 <sub>4</sub>	19	1918	- 10		Imasco	\$345	34 42%	311 <sub>8</sub> 433 <sub>4</sub>	- 1	4200 40320	Regioni R Roitman A I	205 1 528	197	201 28	÷(,	885.7	NaiBe Cda	526 4	26 123	28% 123	- 1
800	Canton A	517	1834 1834	133 <sub>4</sub> 17	+ 14	76853 59315	Longo Oil A Longo	\$163	15'a	16	+ 15	2530	Ruo Algom	\$22.5	2214	***	٠,	32095	Noverce Pewer Corp	\$13% \$161;	16	181-	+3
4446	Cara	510	95,	958	- 5	5300	Indal	\$1418	14	14	- 14	700	Rogers A	\$253	25	253	7.30	10819	Provigo	\$1B1	1712	1717	=
	Cara A 1 Carl OK	\$9 \$13's	878 13	9 13	+ 19	4100 4100	intend Gas Innopac	\$123g \$18	12'.	123g 18	- 16	5£05 3400	Rogers B I Roman	5753 <sub>6</sub> 594 <sub>9</sub>	37 <sup>8</sup>	351 <sub>4</sub>	- 50	400	RollandA Roval Bank	5141 <sub>8</sub> 5321 <sub>8</sub>	32%	141	
	Carma A	17	15	17	+1	5325	Inter City	\$1578	1558	154		200	Roman	238,	381	381	-7	29138 3683	Roylisko	Sir.	32	32	- 1
2210	Calabons	C161-	467.	16%	- 1	20000	led Them	£115	441	111.	- 14	22/65	Boual Ank	•	725.	32 2	- in		fi about	e val	174.	471-	

### Indicas

											Hu	ices						
NE	WY	<u>'Ol</u>	₹K.B	JOIR MC	ES								Aug. 30	Aug.	Aug.	Aug.	Ii High	86 Low
	4	wg .	Aug	Aog	Aug 15	Aug	Aug	: <del>}</del>	1986	<del></del> -		AUSTRALIA	<u> </u>		<u> </u>			
ladustria		203	19 1.862.81	1859 52		14	13 B1 11.844		13 1582 2	High etang na	41.22	All Ord. (1:1-80) Metals & Mnls. (1-1.60)	1177.6 538.2	1185,3 545,0	1185.9 550.3	. 1178,5 541,5	1247,0 .7 5. 602,0 (24 5)	1010,8 (2;1) 481,1 (20,5)
	_				ľ	1		(2/7/8	8) 22/1/8	D 12-7/80	12/1/32	AUSTRIA Greditok Aktien (50-12/8)	235.71	254.54	254,63	(6)	2 <del>66</del> .64 (23·4)	226.58 (5/5)
Transpo	ri   7:	2.13	744.08	753.38	758.00	754.1	J48   48			7   830.84 6)  (31/3/86	12.32 (0/1/32)	BELGIAN Brussef SE (1-1 84)		ZR1Z 79	\$805.69	(c)	3836 89 (20 B)	2766,91 (15/1
Unitie	E   21	9.15	213.38	211 13	211.24	210.1	209			7   213.38 6)  15/8/86		DENMARK Copenhagen SE (5:1:56)					250,70 (18,4)	193.69 (8:1)
Trading	vol	- }	109.31m	112.840	123,491	123.77	hp 158,4	-	-	-	-	FRANCE CAC General (\$1:12/82)	394.2		388.0			
					Acg 15	1	Aug 8	Aug	1	Year Ago	(Approx)	Ind Tendance (31:12:82)		150,7	149,2	- IC)	411,3 (15,5) 164,8 (12,5)	267,8 (2.1) 101,6 (2.1)
Ind Div Y					3.65		3.50	3.0	2	4.5	5	GERMANY FAZ Aktien (51.12.58) Commerzbank (1.12/58)					758,88 (17;4) 3 2278,8 (17;4)	585,92 (22:7) 1762,4 (22:7)
SIARRIA		ruun.	<u>-</u>	$\Gamma^{-}$				19	<del></del>	Since Co	mpilation	HONG KONG				.—-		
		Aua	Ann	Aaa	Amo	Aeq	ا مد					Hang Seng Bank(81/7/64)	1941,28	1955,69	1950,12	1935,76	1950,12 : 18 5	1658,94 (19,5)
bolustrial		20	Ang 19 271.74	Apg 18 273.83	Aug 15 222.86	271.55	Aug 13 271,2 <del>5</del>	High 282.24	224.88	High 282.24	3.52	ITALY Banca Comm Ital.(1972)	808.44	799.01	778,56	( <b>c</b> )	998.28 (20.5)	454,67 (24/1)
	:	9.77		'	247.15		245.57	(2/7) 252.70	(22/1)	2/7/90 252.70		JAPAN** Nikkel (16/5-48) Tokyo SE New (4/1-68)	18936.2 1583.35	18792.6 1666,49	18597.4 1548.23	18376,41 1529,28	18836.2 (28:8) 1583.35 (20:8)	12891,5 (21/1 1025,65 (21/1
Composit	•   _	<b>19.</b> //	248.31	241-36	247.18	246.23	249.37	12/1)	[22/1]	(2/7/88)		NETHERLANDS ANP.CBS General (1970) ANP.CBS Indust (1970)	297.5	298.1	296,7			240,4 (5:5)
				1	Aug 13		Aug 6	Jul 31	7	Year Ago (	Appress)	<del></del>	502.3	303,9	502.3	297,2	. 305.9 (19/8)	254,0 (5,5)
kud div yi					2.99		3.10	3.	٠- ١	3.7	_	NORWAY Oalo SE (4:1-85)	352,59	358.02	358.05	351,06	402,81 (16:1)	551,61 (4:8)
Long Gov					18.11 7.34		7.48 7.53	17.2		18.7 10.3		SINGAPORE Straits Times (30/12:68)	802.84	883,35	809.64	803,65	809,84 (18:8)	565.54 (28:4)
N.Y.S.E.	ALL CO		<u> </u>					£1\$	ES AJEB F	MILS		SOUTH AFRICA JSE Gold (28.9.78)		1567.1	1518.7	1528 R	1605,4 (11:8)	1109 1 121-0
Agg	Aue	Aug	Aun		1986				Ang 15	Aug 18	Abg 15	JSE Indust (28.9,78)	. <del>-</del>	1300_8	1297,1	1296,6	1802.6 (14 8)	1019,8 (2/1)
20	Aug 19 141.51	Aug 18	Aug 15	High 145.15	117.3	4	50#4 tro		1,992	1,963	1,954	SPAIN Madrid SE (80 12/85)	192,89	195,27	186.15	(6)	196, 15 ( 18 8)	100,82 (3/1)
****	14121	Peac	I LE	(2/7)	122	li F	ises elis erimager		749 853 399	765 815 388	879 693 382	SWEDEN Jacobson & P (51/12-56)	2588,45	2567,44	2598.45	2587.65	2620,62 , 12/8)	1725,57 (23/1)
			<u> </u>	NYSE-I	Consoli	dated	1568	Actives				SWITZERLAND SwissBank Cpn (51-12/58)	545.6	550,7	543,1	640,6	625.5 (8/1)	497,2 (4-8)
Phil Ele . USX CP		2,	Stocks Traded ,826,486 ,678,480	194	on D	lay 1/4 Pa 1/4 Sc	P أعدق ـــ شعينا	1,7 1,7 1,6	tocks reded 91,080 98,100	3.00p.m Price 441/2 313/4	= 8=y + 1 + 14	WORLD M.S. Capital Intl. (1:1:70)	. –	554.8	353,4	\$50,3	354,8 (19:8)	. 249.8 (28:1)
Mad-So I	W	2 1	,542,188 ,184,286 ,938,988	3374	+3	TA of	1 1 1	1,4	74,308 82,868 33,608	35 231/2 13874			_		<del></del>	<u> </u>		الوالية المساحدة

\*\* Saturday August 16: Japan Nikkei (c). TSE (c)

Chief price changes LONDON [In pence unless otherwise indicated)

Aug Aug 19 18

rises English Trust ...... 153 + 8
Finlan ....... 70 + 12
Fisons ......... 633 + 13 ..... C93% + £% 

Аш**д** 15

2,851.2 2,861.4 2,021.4 2,848.53 2,442.85 (21/3) 1,917.4 (.5/8) 1,819.2 3,866.8 3,017.2 3,031.19 3,129.11 (18/4) 2,754.0 (17/2)

1,505.93 1,498.88 1,568.15 1,541.92 1,623.33 (16/4) 1,385.6 (22/1)

High

LOW

Bowater Inds ...... 315 Glass Glover ..... 225 +17 Goode Durrant ..... 135 Lanca ............................... 58 + 5 + 8 BPCC \_\_\_\_\_\_\_ 281 Dewey Warren \_\_\_\_ 73 Glaxo \_\_\_\_\_\_ 950 Lanca 58 Sun Alliance 692 -17 -15 +25 Goldsmiths .... **FALLS** ...... 197 ..... 488 -20 -16

# Weak \$ proves unsettling

Continued from Page 30

Metels & Minds Composite

MOSTREAL Portfolio

Porsche, affected by the dollar's fall, tumbled DM 22 to DM 1,068 while BMW shed DM 20 to DM 593 and VW DM 14.50 to DM 509 as the company spelt out details of its planned issue.

AEG was unchanged at DM 325 as Daimler denied rumours that it was buying further shares in the electrical group. Daimler, which already owns 56 per cent of AEG, fell DM 11 to DM 1,271.

Bonds recorded dramatic gains, as longs surged by as much as 115 basis points fuelled by optimism about a drop in US and then West German interest

The Bundesbank sold DM 123.9m worth of paper after selling DM 14.6m on Tuesday. Sales of West German domestic bonds surged in July to DM 13.7bn compared with purchases of DM 800m in June and net sales of DM 10.7bn

Oslo's nine-day rally came to a halt yesterday in what was seen as a correction to the agressive sessions which began last Monday.

Norsk Hydro dropped NKr 5 to NKr 145 and Norsk Data lost NKr 6 to NKr Stockholm was mixed although insti-

tutional buying was strong.
Sandvik, which boosted first half profits, was steady at SKr 182 while Astra dropped SKr 7 to SKr 683. Zurich turned lower as profit-takers

chipped away gains made in the last few days.

Banks and chemicals were hard hit with Bank Leu down SFr 100 at BFr 3,650, Credit Suisse off SFr 25 at SFr

3,700 and Ciba Geigy SFr 50 lower at SFr 3,450. Madrid was also down in active trade.

CANADA

ACTIVE demand for gold issues and the metals and mines sectors helped Toronto ahead.

Campbell Red Lake climbed C\$1 to C\$25% while Dome Mines edged up C\$% to C\$20½.

Industrials were mostly firmer. HCI Holdings put on 20 cents to C\$1.40 in the wake of its reverse stock split and higher nine month figures. Trizec added CS% to CS10 and Enfield improved CS% to C\$20.

### **SINGAPORE**

LATE buying support enabled Singa-pore to pick up after a bout of midses-sion profit-taking and the Straits Times industrial index ended 0.41 weaker at 802.<del>94</del>.

Among actively traded issues, Transmarco was unchanged at S\$1.30 and City Development put on 2 cents to S\$1.76. Hong Leong Finance shed 10 cents to S\$2.50, Fraser and Neave and OCBC 5 cents each to S\$8.35 and S\$7.75 respectively and Cold Storage 4 cents to S\$3.80.

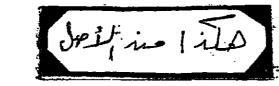
SIA and Singapore Press were both unchanged at S\$7.55 and S\$8.35 respectively.

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# NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES

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# FINANCIAL TIMES WORLD STOCK MARKETS

**WALL STREET** 

# Tax plan proves a bright spot

CONCERN over sluggishness in the US economy was counterbalanced on Wall Street yesterday by falls in market interest rates and also by relatively favourable reviews of the tax-overhaul plan approved last week by the House-Senate conference, writes Terry Byland in New

Sluggish growth in the economy was confirmed by a disclosure of a sharp drop in July housing starts.

Blue chip issues moved forward, led by technology stocks which responded to favourable comments in the investment press on the implications of the

By mid-session, when bond prices turned higher, the stock market was extending its early gains.

But the strongest gains came in the second half of the session when major indices were boosted by strength in Sears Roebuck, IBM, Ford and USX. The Dow Jones industrial average ended a net 18.42 points up at 1881.33. NYSE turnover increased to 157.3m shares.

Utility stocks continued to forge ahead in anticipation of another fall in interest rates, which benefits balance

Tokyo

Jan 4,1968=100

1982

STOCK MARKET INDICES

1,881.33

751.13

1,604.6

871.01

n/a

222.5

538.2

August 20

1983

1984

679.54

158.70

188.08

1,307.1

694,16

322.8

546.1

194.60

Year ago

79.5

198.62 216.86

n/a

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744.00

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1,604.4

793.35

872.33

219.0

18,936.20 18,792.60 12,640.0

1.583.35 1,566.49 1,016.86

545.0

234.54

3,826.87 3,813.79 2,331.88

Prev

2,058.2 2,001.4 2,070 3,019.2 3,006.8 2,781.4

391.40

150.70

688.66

2,076.6 2,079.70 1,413.9

1.941.28 1.935.69 1.692.74

298.10

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358.02

802.94 803.35 754.88

1,300.8

195.27

2.568.45 2.567.44 1.312.21

545.60 550.70 465.4

799.01 366.28

190.5

356.42

941.9

218.8

340.00p

£862.25

£2007.50

\$13.95

\$375.25

\$374.125

\$369.06

\$372.75

\$381.00

1,505.93 1,498.88

199.91

394.20

151.30

686.64

297.50

302.30

352.99

192.89

Aug 19

COMMODITIES

GOLD (per ounce)

354.80 353.4

Aug 20 342.70p

£866.50

£2047.50

\$13.95

August 20 \$378.00

\$379.75

\$377.50

\$385.10

9.44

1985

(London)

DM

Lira

BFr

C\$

(offered rate)

US Fed Fur

Treasury

1993 1996 2016

6% 1988

7% 7%

(vears)

1-30

1-10

15-30

T & TA

3% July 1990

8 April 1996

8% March 1996

General Motors

8% April 2016

9% March 2016 100.25

US Treasury Bonds (CBT)

Certificates of Deposit (IMM)

94.25

93.93

Source: Salomon Brothers

8% 32nds of 100%

\$1m points of 100%

\$1m points of 100%

\$1m points of 100%

20-year Notional Gill

£50,000 32nds of 100%

Latest available figures

Sept

Sept

Sept

LONDON

1400

1300

1200

1000

900

800

600

NEW YORK

LONDON

FT Ord

FT-SE 100

FT-A 500

Tokyo SE

AUSTRALIA

All Ord.

**AUSTRIA** 

DELGIUM

CANADA

Metals & Mins

Credit Aktien

Belgian SE

Composite

Montres

DENMARK

FRANÇE

CAC Gen

Ind. Tendance

WEST GERMANY

Commercbank

**FAZ-Aktien** 

HONG KONG

Hang Seng

Banca Comm

NETHERLANDS

ANP-CBS Gen

ANP-CBS Ind

NORWAY

Oslo SE

JSE Golds

SPAIN Madrid SE

SWEDEN

J&P

WORLD

(London)

London

Zünch

Paris (fixing)

Luxembourg

New York (Dec)

SWITZERLAND

Swiss Bank Ind

M\$ Capital Int'l

Silver (spot fixing)

Copper (cash) Coffee (Sept)

Oil (Brent blend)

SINGAPORE

Straits Times

SOUTH AFRICA

ITALY

letals & Mints

FT-A All-share

FT Gold mines

FT-A Long gift

DJ Industrials

DJ Transport

S&P Composite 249.77

KEY MARKET MONITORS

sheets heavy with debt burdens. Philadelphia Electric topped the NYSE actives list with 8m shares traded as several major share blocks changed hands.

But bank stocks, marked down as potential losers if the tax overhaul plan takes effect - made little headway. Bankers Trust remained unchanged at \$51%. Citicorp edged up by \$1% to \$48% and J. P. Morgan at \$92% lost \$%. Bank-America steadied by \$\% to \$12\% in thin trading.

Some Texas bank stocks advanced as the state legislature proposed to allow bank takeovers. Texas Commerce Bancshares at \$21% gained \$1.

IBM, back in favour, jumped \$21/2 to \$13914 in another heavy trading session. to show a gain of 3.8 per cent since Friday night. Also active was Digital Equipment, up \$1% at \$98%. Control Data at \$23% put on \$1% and

Honeywell, also recovering from recent weakness, added \$1 to \$71%. But Burroughs, which becomes IBM's nearest competitor now that the Sperry merger is consummated, edged up by only 5% to

There were signs of an investment realignment in the Detroit motor issues. Investment and motor industry analysts have become critical of General Motors' models and sales performance, and favourable towards Ford.

In another active buying session, Ford jumped \$1% to \$62% while GM lagged with a gain of only \$1% at \$74%. Chrysler regarded as a successful low cost producer, put on \$1% to \$41%.

Heading the list of active industrial stocks was USX, which bounded by \$2% to \$19\%, with more than 2m shares

US DOLLAR

2.058

6.71

1.658

2.32 1,416 42.55

1.394

INTEREST RATES

**US BONDS** 

1022%

Source: Harris Trust Savinos Bank

Return index

157.57

149.23

139.33

151.74

187.63

Source: Merrill Lynch

SCBT South Central

Aug 20 Previous

6.6825

1.6465

1,410

42.45

1.3910

6-month US\$

2.3090

1900

1850

1800

1750

<del>-</del> 1700

1300

1250

Aug 20 Previous

1.52

3.0925

10.0775

3.485 2,127 63.90

2.0945

9% 4%

4% 7%

6% 6%

6.075 5.71

7.014

-0.02

-0.02

-0.02

-0.03

-0.02

Yield

1.5045

3.0825

10.0525

2.4775

3.475

2,121

63.85

2.0900

4% 4%

67,s 67,s 5.65° 5.49°

10021/2 6.206 10021/2 6.276

6.97 102152

6.86

6.60

6.28

6.73

7.71

Price

8.05 98.996 8.15

8.75 103.25 8.25

101% 7.152 1002% 7.19

Aug 20° Day's change

+0.18

+0.12

+0.07

+0.15

Yleid

91.375 6.44 91.375 6.44

106.75 9.472 106.75 9.472

102-12 102-21 101-28 102-08

94.62 94.66 94.61 94.61

94.25 94.25

93.95 93.93 93.89

122-02 122-18 121-28 121-28

+0.43

August 201

99.654

100

93.5

9% March 2016 106.75 9.206 106.5 9.23

FINANCIAL FUTURES

6.797 102

traded by mid-session after Mr Holmes a Court, the Australian entrepreneur, disclosed plans to buy up to 15 per cent of the equity.
Suggestions that it was the Marathon

Oil assets which have attracted Holmes a Court to USX encouraged the major oil stocks. Atlantic Richfield at \$55% jumped SI%, and Chevron at \$43%, recouped \$1%.

Aerospace and defence stocks were strong, behind Boeing's drive into both civil and military markets in Europe. At \$61½, Boeing gained \$2 in brisk trading, and not far behind were McDonnell Douglas, up \$1% at \$84%, Lockheed, up S1 at £49% and General Dynamics, up S11/4 at S731/4.

New takeover situations surfaced. On the OTC markets, Webb Publishing jumped \$24 to \$16, matching the minimum terms proposed by British Printing & Communications, the UK company headed by Mr Robert Maxwell.

Panhandle Eastern added S¼ to S44¼ on speculation that it will spin off its Anadarko Petroleum unit. Anderson Clayton jumped \$2% to \$56% as Bear Stearn, Quaker Oats and Gruss Petroleum opened a tender off at \$56 a share -although rejected by the Anderson

There was demand for the Bell system operating companies. Ameritech gained \$3% to \$147, Southwestern Bell \$2% to \$114 and Bell Atlantic \$1% to \$74%.

American Telephone & Telegraph itself gained 5% to \$23% in heavy turnover after announcing further workforce lay-

Pharmaceuticals looked irregular despite expectations of another fall in the dollar, which would benefit international sales. Merck, the sector's representative in the Dow average, fell \$1% to \$114. The star was ICN Pharmaceuticals, up \$3% at \$33% after receiving clearance in Canada for its Virazol anti-viral drug.

Spurred on by the latest evidence of a sluggish economy, bonds advanced by nearly half a point, driving long-term yields to new cyclical lows. Treasury-bill rates also shaded lower behind federal funds at 6% per cent, eagerly scanned by the market for a hint of any change in credit policy following this week's meeting of the Open Market Committee.

### **AUSTRALIA**

# **Short-lived** enthusiasm for budget

WIDESPREAD profit taking among ngustnai ang mining stocks lett Sydney lower after some early enthusiasm, in the wake of the Federal bud-

get, evaporated. The All Ordinaries index fell 7.8 to 1,177.6 on volume that dipped to 79.7m shares from the previous day's 107m.

Investors' confidence was sapped by the failure of the currency markets to react positively to the A\$3.5bn budget deficit forecast, leaving interest rate sensitive industrial leaders under pres-

Banks which attracted some early support soon led the turnround. National Bank shed 10 cents to A\$5.36, Westpace 6 cents to A\$4.70, ANZ 2 cents to A\$4.94 and Advance 19 cents to A\$2.56.

Transport stocks were out of favour as a result of increased fuel taxes. Brambles fell 10 cents to A\$6.20 and TNT 20 cents to A\$3.18.

Among media stocks, Fairfax put on 20 cents to A\$5.80, News Corp held unchanged at A\$24 and Herald and Weekly

Times lost 6 cents to AS6.10. BHP recovered an early decline to end unchanged at A\$8 while Bell Resources shed 20 cents to A\$4.70 and Bell Group

dropped 60 cents to A\$9.90. Prices of leading gold stocks held up despite easier international bullion prices. Kidston rose 20 cents to A\$7.10 and Renison 10 cents to A\$7.70.

GOVERNMENT stocks turned in another strong performance in London

Optimism mounted over the US authorities initiating a further round of international interest rate reductions and

period rates for credit in London continued to ease in reaction. Among equities, small sellers were active for a while but thereafter selective demand caused prices to revert gradually to their overnight positions. The FT

Ordinary index recovered from a low of 1,259.3 to end 0.6 better on the day at Chief price changes, Page 27; Details,

Page 26; Share information service, Pages 24-25.

### **HONG KONG**

SELECTIVE local and overseas buying enabled Hong Kong to pick up after some mid-day profit taking and the Hang Seng index rose 5.59 to 1,941.28.

Institutional investors remained out of the market, leaving turnover down from Tuesday's 518m shares at 336m the lowest since July 18.

Hutchison Whampoa put on 50 cents to HK\$34 while, China Light and China Gas each posted 20 cent advances to HK\$16.70 and HK\$16.30, respectively.

Swire Pacific put on 10 cents to HK\$14, Cathay Pacific 15 cents to HK\$5.75 and Hongkong Aircraft Enginering HK\$1.75 to HK\$33.50. All three are expected to announce strong interim profits next week.

EUROPE

# Weak \$ is unsettling influence

PROFIT-TAKING developed as the sole unifying factor in most major European bourses yesterday as uncertainty over the weaker dollar caused investors to

Three bourses resisted this trend,

Paris continued to move higher as it retained the interest of foreign investors. Institutions also featured as active buyers ahead of the September monthly trading account - settlement for this month's account falls due today.

Drinks issues made the most notable gains with Martell up FFr 103 to FFr 1.452, Pernod FFr 19 higher at FFr 1.044, Perrier ahead FFr 13 at FFr 778 after dropping FFr 10 in the previous session. and Moët-Hennessy up FFr 9 at FFr

Oils were stronger as the sector rebounded from previous selling pressure. Total-CFP led the way gaining FFr 13 to FFr 423. The state controlled oil group has begun a seismic survey of the city of Paris and its suburbs and the first exploratory well is likely to be drilled early

parent company of Bouygues, France's leading public works and con-struction group, faded FFr 18 to FFr 1,449 despite reporting a 6 per cent gain in revenue for the first half while Dumez, also in the construction business, slipped FFr 14 to FFr 1,471 after news of lower turnover for the first six months.

Milan moved further ahead yesterday although gains were narrower than in the previous session. Blue chips were again favourites and

insurers continued to attract strong buying. Generali rose L1,500 to L167,300, its third successive gain this week, while Toro remained steady at L28,495.

Among industrials, Montedison advanced L160 to L3,710, Snia gained L50 to L6,250 and Fiat was stationary at The Italian Treasury announced it will offer investors L16.5 trillion worth

of three, six and 12-month Treasury bills at its auction at the end of August, with conditions set for the offering which indicate a slight decline in the yield.

At the same time, Consob (the bourse

regulatory authority) said that the regulation was now in operation which obliges companies listed on the bourse to publish a financial prospectus ahead of a capital-raising exercise. Brussels was kept firmer by hopes of

Thus, interest-rate sensitive utilities rose with Intercom up BFr 70 at BFr 3,900 and selected industrials also



moved higher. Solvay was up BFr 300 at BFr 8,000. Unerg improved BFr 70 to BFr 2,920 and Asturienne added BFr 38 to BFr 1,065.

Amsterdam suffered from two influences: expectations of lower interest rates boosted some issues while profittaking stripped other stocks of gains made early this week.

Sentiment was improved by the decision from Staal Bankiers to scrap its % per cent surcharge on loans and overdrafts which flowed on from Tuesday's

surcharge cut from the central bank.

Among banks, NMB firmed FI 6 to FI 226 after reporting a 30 per cent increase in first half income but both ABN and Amro were lower, the former losing Fl 1 to FI 592 ex-dividend and the latter dropping FI 1 to FI 107.80. A report by Rabobank, the co-operative bank which re-ported flat first half earnings, was seen to be the dampening influence.

Hoogovens continued its lower spiral, dropping 50 cents to Fl 76.70 again on the affect of its weaker first-half earn-

Philips, which has set up a joint ven-

ture with two Japanese companies to produce and sell electrical components, advanced 80 cents to Fl 53.80. Bonds rose on hopes of lower rates in

the Netherlands.

Frankfurt entered a correction phase after sharp gains on Monday and Tues-day. Banks and cars, which had posted the strongest advances, naturally suffered most in the retreat.

Continued on Page 27

### **SOUTH AFRICA**

GOLD shares climbed to record highs in Johannesburg as local investors demonstrated their enthusiasm on the outlook for the bullion price.

Among leading issues, Vaal Reefs gained R10 to R310, Randfontein R11 to R360 and Western Deep R4 to R149.

Most other mining issues followed suit. De Beers put on 60 cents to R32.60 and Rustenburg Platinum gained R1.25

Impala Platinum was unchanged at

R55 after results, while in the copper Industrials were mixed, with Barlow Rand 25 cents higher at R19.20 and South African Breweries 10 cents lower

TOKYO

# Rate hopes fuel the record run

CONTINUED buying by institutional investors took shares to a fifth all-time high in Tokyo yesterday, writes Shigeo Nishiwaki of Jiji Press.
Buying interest gathered momentum

as expectations grew for co-ordinated discount rate reductions by the US, West Germany and Japan following the sharp cut in US gross national product figures for April-June. Giant-capital steels, shipbuildings,

utilities, trading houses and heavy electricals were sought, while other issues weakened on light selling.

The Nikkei market average added 143.63 to 18,936.24, the 10th consecutive daily gain. Although the Tokyo stock exchange shortened the afternoon session by 30 minutes because of recent trading confusion, volume totalled a record 2.2bn shares, up from Tuesday's 1.3bn shares and eclipsing the March 27 peak of 1.9bn. Declines led advances by 513 to 349, with 119 issues unchanged.

Institutional investors and corporations with large surplus funds concentrated their buying on big-capital stocks for quick profit and sold other issues in small lots.

Kawasaki Steel was the most actively traded issue, with 267m shares changing hands, and firmed Y18 to Y235. Nippon Kokan, second busiest with 251m shares, added Y11 to Y270 and Nippon Steel, third with 211m shares, gained Y10 to Y214. Ishikawajima-Harima Heavy Industries put on Y25 to Y440 and Mitsubishi Heavy Industries Y31 to

Export-orientated heavy electricals were also popular, despite the dollar's temporary slide to below ¥153 on the Tokyo foreign exchanges. Hitachi soared Y45 to Y940, Toshiba Y3 to Y643 and Mitsubishi Electric Y13 to Y476.

Blue-chips were mixed. NEC put on Y40 to Y1,710 and Matsushita Electric Industrial Y30 to Y1,360, while Anritsu Electric and Victor of Japan (JVC) each shed Y110 to Y3,150 and Y2,240.

Bonds moved widely on speculative trading by dealers. Banks and securities companies bought actively in the morning, reflecting the strong probability of an imminent cut in advanced countries discount rates.

The yield on the benchmark 6.2 per cent government bond due in July 1995 tumbled from 4.56 to 4.52 per cent at one point. But it closed almost unchanged from the previous day's finish at 4.555 cautious attitude towards a discount rate reduction. Some market sources were predicting that the market may soon enter a liquidation phase.

# SWISS VOLKSBANK FINANCE (CAYMAN ISLANDS) LTD.

**Grand Cayman** 

### Notice to holders

of the Warrants ("A" and/or "B") under the 61/2% US\$ 75 million Guaranteed Notes with Warrants 1985-90

The Board of Directors of Swiss Volksbank decided on August 7, 1986 to issue subordinated Bonds with Warrants in the total amount of SFr. 165 mio. Present shareholders and holders of Bearer Participation Certificates are granted the right to subscribe in the period from September 16 to 26, 1986 to this new issue as described below:

For every 8 shares at a nominal value of SFR. 500.— each, or every 80 Bearer Participation Certificates at a nominal value of SFr. 50.— each, holders are entitled to subscribe to SFr. 1000.— in this new issue. Each bond at a par value of SFr. 1000 carries two Warrants ("A" and "8"). For every 5 "A" Warrants of this new issue, holders will be entitled to purchase 2 Sec. 500. The standard including March 21, 1000. shares at a nominal value of SFr. 500.- up to and including March 31, 1988. For every 5 "B" Warrants, holders will be entitled to purchase 1 Swiss Volksbank share at a nominal value of SFr. 500.— up to and including December 1, 1989. The definitive conditions for the issue as well as the exercise price of the Warrants will be determined on September 10, 1986 and thereafter announced in the obligatory publications.

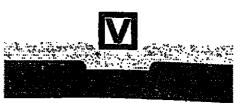
In connection with this issue of Bonds with Warrants, the holders of the Warrants "A" and/or "B" under the 61/2% US\$ Guaranteed Notes with Warrants of Swiss Volksbank (Cayman Islands) Ltd. should note that a) Exercise of the Warrants to purchase shares cum subscription rights can take place up to

- and including September 5, 1986. After this date the new shares resulting from the exercise of Warrants will be ex-subscription rights. b) At the present time, the exercise of Warrant "A" entitles the holder to purchase one Swiss
- Volksbank share (nominal value SFr. 500.-) for SFr. 1894.-, and Warrant "B" entitles the holder to purchase the same share for SFr. 1994.-.
- c) The new exercise price will be adjusted on September 26, 1986 in accordance with the Terms of the Notes as specified in the Description of the Warrants and published as soon as possible thereafter.

August 21, 1986

### SWISS VOLKSBANK Finance (Cayman Islands) Ltd.

Notes with Warrants Warrants "A" Warrants "B"	014 026 014 028 014 029	293 466 604 585 604 593	705 687 705 687 132 055 132 056
	V	<b>]</b>	



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발생 'PA' 환기 환기 4

44.264